

TALON RESOURCES INC

April 7, 2004

Mrs. Diana Mason
State of Utah
Division of Oil Gas and Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RE: Application for Permit to Drill—WhitMar Exploration Company
27-4, 1,438' FSL, 1,412' FEL, NW/4 SE/4, Section 27, T13S, R11E, SLB&M, Carbon County, Utah

Dear Mrs. Mason:

On behalf of WhitMar Exploration Company (WhitMar), Talon Resources, Inc. respectfully submits the enclosed original and one copy of the *Application for Permit to Drill (APD)* for the above referenced well. A request for exception to spacing (R649-3-2) based on topography is hereby requested since the well is located within 460' of the drilling unit boundary. WhitMar is the only owner and operator within 460' of the proposed well. Included with the APD is the following supplemental information:

Exhibit "A" - Survey plats and layouts of the proposed well site;

Exhibit "B" - Proposed location maps with pipe, power, and road corridors;

Exhibit "C" - Drilling site layout;

Exhibit "D" - Drilling Program;

Exhibit "E" - Multi Point Surface Use Plan;

Exhibit "F" - Typical road cross-section;

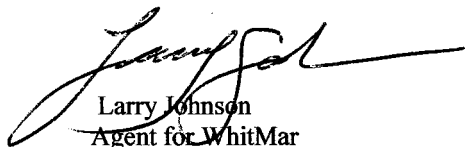
Exhibit "G" - Typical BOP diagram;

Exhibit "H" - Typical wellhead manifold diagram.

Please accept this letter as WhitMar's, written request for confidential treatment of all information contained in and pertaining to this application.

Thank you very much for your timely consideration of this application. Please feel free to contact myself or Whitney Marvin of WhitMar at 713-739-7300 if you have any questions or need additional information.

Sincerely,



Larry Johnson
Agent for WhitMar

cc: Whitney Marvin, WhitMar
Mark Jones, DOGM, Price Office
Ed Bonner, SITLA— State Office

ORIGINAL

CONFIDENTIAL

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

001

APPLICATION FOR PERMIT TO DRILL				5. MINERAL LEASE NO: Fee	6. SURFACE: Fee
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>				7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>				8. UNIT or CA AGREEMENT NAME: N/A	
2. NAME OF OPERATOR: WhitMar Exploration Company				9. WELL NAME and NUMBER: 27-4	
3. ADDRESS OF OPERATOR: 1021 Main, Suite 1100 CITY Houston STATE TX ZIP 77002				PHONE NUMBER: (713) 739-7300	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1,438' FSL, 1,412' FEL AT PROPOSED PRODUCING ZONE: 1,438' FSL, 1,412' FEL				10. FIELD AND POOL, OR WILDCAT: undesignated Wildcat 11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 27 13 S 11 E S	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 8.97 miles northeast of Wellington, Utah				12. COUNTY: Carbon	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 1,231'		16. NUMBER OF ACRES IN LEASE: 360		17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 160	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 3,300'		19. PROPOSED DEPTH: 2,900		20. BOND DESCRIPTION: Pending	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5,981'		22. APPROXIMATE DATE WORK WILL START: 5/15/2004		23. ESTIMATED DURATION: 14 days	

24. PROPOSED CASING AND CEMENTING PROGRAM							
SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT		
12-1/4"	8-5/8"	J-55 ST	24 #	350	Howco Prem Plus V	200 sacks 1.20 cu.ft/sk	15.6 ppg
7-7/8"	5-1/2"	J-55 ST	15.5 #	2,800	Howco CBM Lt LCM	90 sacks 4.59 cu.ft/sk	10.5 ppg
					Howco CBM Light	80 sacks 1.99 cu.ft/sk	13.0 ppg

RECEIVED

APR 09 2004

25. ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

- ☒ WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
☐ EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER

- ☒ COMPLETE DRILLING PLAN
☐ FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

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NAME (PLEASE PRINT) Larry Johnson TITLE Agent for WhitMar Exploration Company
SIGNATURE [Signature] DATE 4/7/2004

(This space for State use only)

API NUMBER ASSIGNED: 43-007-30940

APPROVAL:

**Approved by the
Utah Division of
Oil, Gas and Mining**

Date: 03-17-05
By: [Signature]

Range 11 East

(WEST - 5316.96')

Location:

THE WELL LOCATION WAS DETERMINED USING A TRIMBLE 4700 GPS SURVEY GRADE UNIT.

Basis of Bearing:

THE BASIS OF BEARING IS GPS MEASURED.

GLO Bearing:

THE BEARINGS INDICATED ARE PER THE RECORDED PLAT OBTAINED FROM THE U.S. LAND OFFICE.

Basis of Elevation:

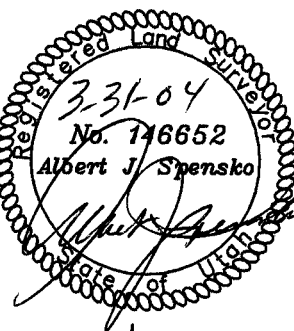
BASIS OF ELEVATION OF 6243' BEING AT THE NORTHEAST CORNER OF SECTION 27, TOWNSHIP 13 SOUTH, RANGE 11 EAST, SALT LAKE BASE & MERIDIAN, AS SHOWN ON THE DEADMAN CANYON QUADRANGLE 7.5 MINUTE SERIES MAP.

Description of Location:

PROPOSED DRILL HOLE LOCATED IN THE NW 1/4, SE 1/4 OF SECTION 27; BEING 1437.98' NORTH AND 1412.08' WEST FROM THE SOUTHEAST CORNER OF SECTION 27, T13S, R11E, SALT LAKE BASE AND MERIDIAN.

Surveyor's Certificate:

I, ALBERT J. SPENSKO, A REGISTERED PROFESSIONAL LAND SURVEYOR, HOLDING CERTIFICATE 146652 STATE OF UTAH, DO HEREBY CERTIFY THAT THE INFORMATION ON THIS DRAWING IS A TRUE AND ACCURATE SURVEY BASED ON DATA OF RECORD AND WAS CONDUCTED UNDER MY PERSONAL DIRECTION AND SUPERVISION AS SHOWN HEREON.

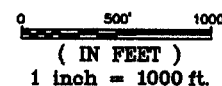


Talon Resources, Inc.
195 North 100 West
Huntington, Utah 84528
Ph: 435-687-5310
Fax: 435-687-5311

WHITMAR EXPLORATION COMPANY
WELL #27-4
Section 27, T13S, R11E, S.L.B.&M.
Carbon County, Utah

Drawn By: J. STANSFIELD	Checked By: L.W.J./A.P.C.
Drawing No. A-1	Date: 02/09/04
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 1274

GRAPHIC SCALE



LAT/LONG
39°39'50"N
110°40'07"W

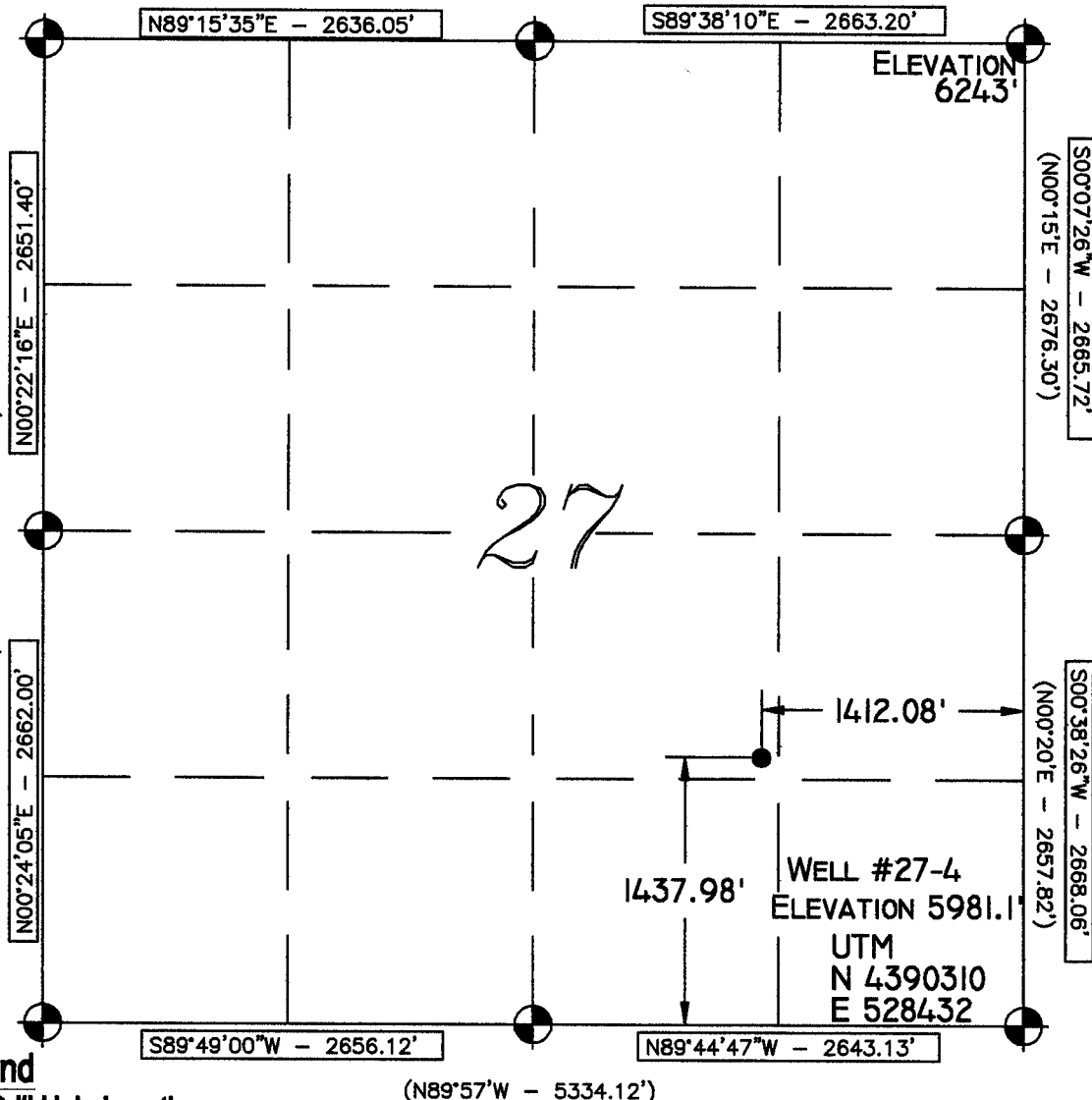
NOTE:

UTM AND LATITUDE / LONGITUDE COORDINATES ARE DERIVED USING A GPS WASS SYSTEM AND ARE SHOWN IN NAD 27 DATUM.

Legend

- Drill Hole Location
- ⊙ Brass Cap (Found)
- Brass Cap (Searched for, but not found)
- △ Calculated Corner
- () GLO
- GPS Measured

Township 13 South



Drilling Program

Exhibit "D"

Attached to UDOGM Form 3
WhitMar Exploration Company
27-4
NW/4 SE/4, Sec. 27, T13S, R11E, SLB & M
1,438' FSL, 1,412' FEL
Carbon County, Utah

1. The Geologic Surface Formation

Blue Gate Shale Member of the Mancos Shale

2. Estimated Tops of Important Geologic Markers

Marker	Depth (MD)
Mancos Blue Gate Marker	2,200'
Ferron Sandstone	2,500'
Total Depth	2,800'

3. Projected Gas & Water Zones

Ferron coals and sandstones 2,500' to 2,760'

No groundwater is expected to be encountered. Water encountered will be reported on a Form 7 "Report of Water Encountered During Drilling".

Casing & cementing will be done to protect potentially productive hydrocarbons, lost circulation zones, abnormal pressure zones, and prospectively valuable mineral deposits. All indications of usable water will be reported.

Surface casing will be tested to 1000 psi.

4. The Proposed Casing and Cementing Programs

HOLE SIZE	SETTING DEPTH (INTERVAL)	SIZE (OD)	WEIGHT, GRADE & JOINT	CONDITION
12-1/4"	350'	8-5/8"	24# J-55 ST&C	New
7-7/8"	2,800'	5-1/2"	15.5# J-55 ST&C	New

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Cement Program – Every attempt will be made to bring cement back to surface

Surface Casing: 200 sacks Howco Premium Plus V + CaCl + Flocele;

Weight: 15.6 #/gal

Yield: 1.20 cu.ft/sk

Production Casing: 90 sacks Howco CBM Light LCM

Weight: 10.5 #/gal

Yield: 4.59 cu.ft/sk

80 sacks Howco CBM Light

Weight: 13.0 #/gal

Yield: 1.99 cu.ft/sk

The following shall be entered in the driller's log:

- 1) Blowout preventer pressure tests, including test pressures and results;
- 2) Blowout preventer tests for proper functioning;
- 3) Blowout prevention drills conducted;
- 4) Casing run, including size, grade, weight, and depth set;
- 5) How the pipe was cemented, including amount of cement, type, whether cement circulated, location of the cementing tools, etc.;
- 6) Waiting on cement time for each casing string;
- 7) Casing pressure tests after cementing, including test pressures and results.

5. The Operator's Minimum Specifications for Pressure Control

Exhibit "G" is a schematic diagram of the blowout preventer equipment. A double gate 2000 psi BOP will be used with a rotating head. This equipment will be tested to 2000 psi. All tests will be recorded in a Driller's Report Book. Physical operation of BOP's will be checked on each trip.

6. The Type and Characteristics of the Proposed Circulating Muds

0 - 350'	12-1/4" hole	Drill with air, will mud-up if necessary.
----------	--------------	---

350' - TD	7-7/8" hole	Drill with air, will mud-up if necessary. 500 psi @ 1500-2300 Scf.
-----------	-------------	---

If fluid is necessary it will be fresh water + Quik-Gel +Pac-R + Therma-Thin + Barolift at 8.5 – 8.8 #/gal maximum.

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7. The Testing, Logging and Coring Programs are as followed

350-TD Schl Neutron-Density, PEX-AITH

Overpressuring

No abnormal pressures or temperatures have been noted or reported in wells drilled in the area nor at the depths anticipated in this well. Bottom hole pressure expected is 1000 psi max. No hydrogen sulfide or other hazardous gases or fluids have been found, reported or are known to exist at these depths in the area.

Lost Circulation

Previous drilling records in this area indicate potential lost circulation while drilling or cementing the production casing for the wells. We plan to include lost circulation material in the production cement and have lost circulation material /additives on location while drilling.

8. Anticipated Starting Date and Duration of the Operations.

The well will be drilled approx.: May 15, 2004.

Verbal and/or written notifications listed below shall be submitted in accordance with instructions from the Division of Oil, Gas & Mining:

- (a) prior to beginning construction;
- (b) prior to spudding;
- (c) prior to running any casing or BOP tests;
- (d) prior to plugging the well, for verbal plugging instructions.

Spills, blowouts, fires, leaks, accidents or other unusual occurrences shall be reported to the Division of Oil, Gas & Mining immediately.

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MULTIPOINT SURFACE USE PLAN

Exhibit "E"

Attached to UDOGM Form 3
WhitMar Exploration Company
27-4

NW/4 SE/4, Sec. 27, T13S, R11E, SLB & M
1,438' FSL, 1,412' FEL
Carbon County, Utah

1. Existing Roads

- a. The proposed access road will encroach the Knight Ideal Mine Road in which approval to upgrade an existing encroachment is pending approval from the Carbon County Road Department (see Exhibit "B").
- b. We do not plan to change, alter or improve upon any other existing state or county roads. Existing roads will be maintained in the same or better condition.

2. Planned Access

- a. Approximately 1,900' of existing two-track road will be upgraded and 100' of new road will be constructed to access the well site(see Exhibit "B").
- b. Maximum Width: 20' travel surface with a 24' base.
- c. Maximum grade: 10 %.
- c. Turnouts: None.
- d. Drainage design: approximately 3 – 18" culvert may be required. Water will be diverted away from the planned access as necessary and practical.
- e. If the well is productive, the road will be surfaced and maintained as necessary to prevent soil erosion and accommodate year-round traffic.

3. Location of Existing Wells

- a. There are no existing wells within a one mile radius of the proposed well site (see Exhibit "B").

4. Location of Existing and/or Proposed Facilities

- a. If the well is a producer, additional wells will be drilled and installation of production facilities will follow.
- b. Buried powerlines and gathering lines, when installed, will follow the proposed access roads and tie-in at the county road (see Exhibit "B").
- c. Rehabilitation of all pad areas not used for production facilities will be made in accordance with landowner stipulations.

5. Location and Type of Water Supply

- a. Water to be used for drilling will be obtained from a local water source (probably Price River Water Improvement District, a local source of municipal water).
- b. Water will be transported by truck over approved access roads.
- c. No water well is to be drilled for this location.

6. Source of Construction Materials

- a. All necessary construction materials needed will be obtained locally and hauled to the location on existing roads.
- b. No construction or surfacing materials will be taken from Federal/Indian land.

7. Methods for handling waste disposal

- a. Since the well will be air drilled, a reserve pit will be constructed with a minimum of one-half the total depth below the original ground surface on the lowest point within the pit. The reserve pit will be lined and three sides of the pit will be fenced within 24 hours after completion of construction and the fourth side within 24 hours after drilling operation cease with four strands of barbed wire, or woven wire topped with barbed wire to a height of not less than four feet. The fence will be kept in good repair while the pit is drying.
- b. Following drilling, the liquid waste will be evaporated from the pit and the pit backfilled and returned to natural grade. No liquid hydrocarbons will be discharged to the reserve pit or pad location
- c. In the event fluids are produced, any oil will be retained in tankage until sold and any water produced will be retained until its quality can be determined. The quality and quantity of the water will determine the method of disposal.
- d. Trash will be contained in a portable metal container and will be hauled from location periodically and disposed of at an approved disposal site. Chemical toilets will be placed on location and sewage will be disposed of at an appropriate disposal site.

8. Ancillary Facilities

- a. We anticipate no need for ancillary facilities with the exception of camp trailers to be located on the drill site.

9. Wellsite Layout

- a. Available topsoil will be removed from the location and stockpiled. The location of mud tanks, reserve pits, and soil stockpiles will be located as shown on Exhibit "C".
- a. Access to the well pad will be as shown on Exhibit "B".
- d. Natural runoff will be diverted around the well pad.

10. Plans for Restoration of Surface

- a. All surface areas not required for producing operations will be graded to as near original condition as possible and recontoured to minimize possible erosion.
- b. Available topsoil will be stockpiled and will be evenly distributed over the disturbed areas and the area will be reseeded as prescribed by the landowner.
- c. Pits and any other area that would present a hazard to wildlife or livestock will be fenced off when the rig is released and removed.
- d. Any oil accumulation on the pit will be removed or overhead flagged as dictated by the existing conditions.
- e. Rehabilitation will commence following completion of the well. Rat and mouse holes will be filled immediately upon release of the drilling rig from the location. If the wellsite is to be abandoned, all disturbed areas will be recontoured.

11. Surface Ownership

- a. The wellsite will be constructed on lands owned by the Lester C. & Carol Lynn Thayn, Trust; 7310 East Highway 6, Wellington, Utah 84542. Lester Thayn can be reached at 435-637-4512. The operator shall contact the landowner and the Division of Oil, Gas and Mining 48 hours prior to beginning construction activities.

12. Other Information:

- a. The primary surface use is wildlife habitat. The nearest dwelling is an old abandoned cabin approximately 1,000' southwest. Nearest live water is Coal Creek approximately 600' southwest.
- b. If there is snow on the ground when construction begins, it will be removed before the soil is disturbed, and piled downhill from the topsoil stockpile location.
- c. The backslope and foreslope will be constructed no steeper than 4:1.
- d. All equipment and vehicles will be confined to the access road and well pad.
- e. A complete copy of the approved Application for Permit to Drill (APD) including conditions and stipulations, shall be at the well site during construction and drilling operations.
- f. There will be no deviation from the proposed construction, drilling, and/or workover program without prior approval from the Division of Oil, Gas & Mining.

13. **Company Representatives**

Whitney Marvin – Landman, President and Chairman
WhitMar Exploration Company
1021 Main Street, Suite 1100
Houston, Texas 77002

(713) 739-7300 office
(713) 739-7333 fax

Mail Approved A.P.D. To:

Company Representative

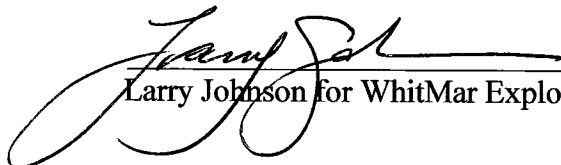
Excavation Contractor

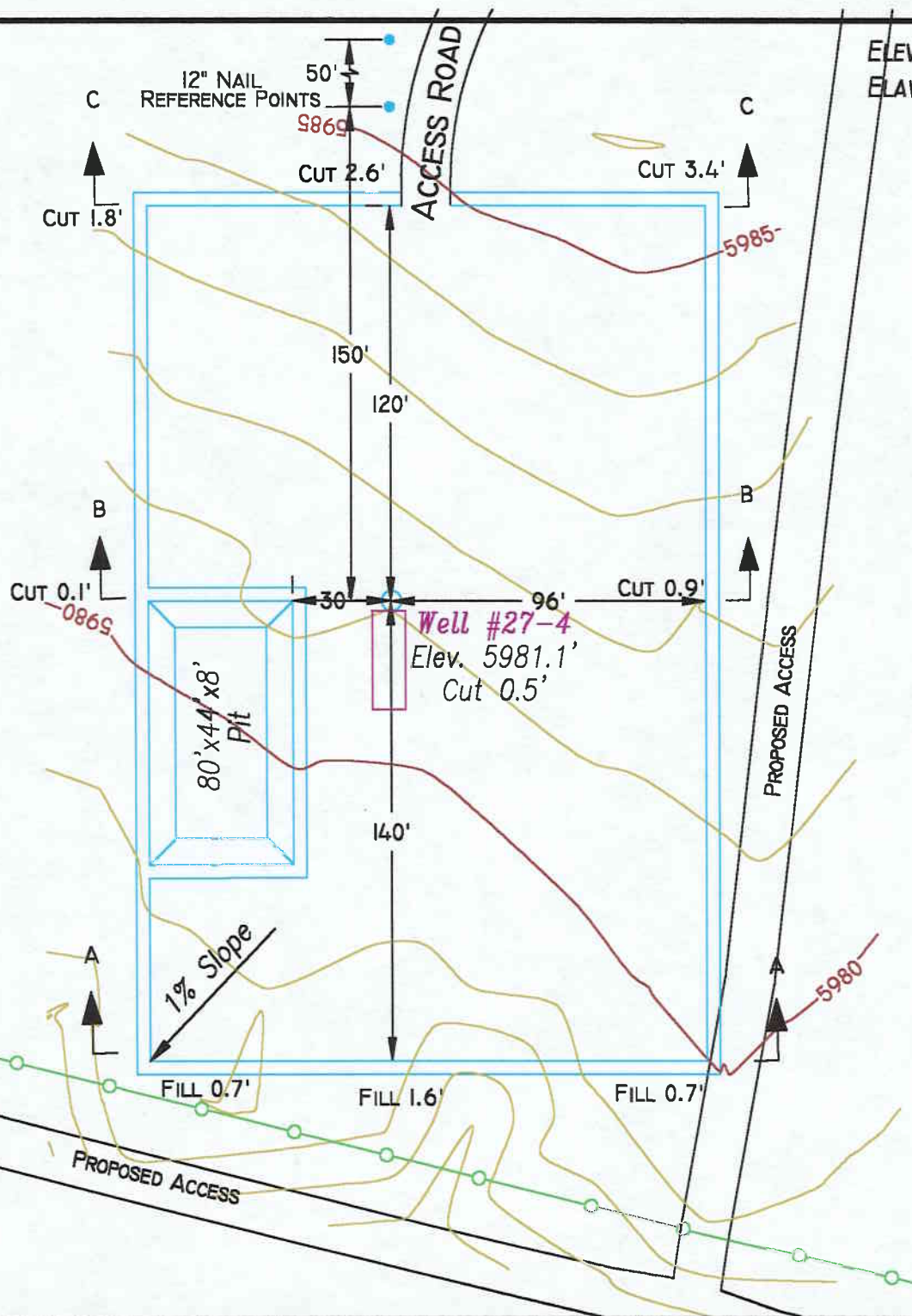
To be awarded in the future

14. **Certification**

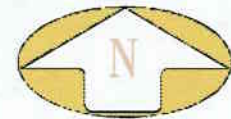
I hereby certify that I, or persons under my direct supervision have inspected the proposed drill-site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct, and that the work associated with the operations proposed herein will be performed by WhitMar and its subcontractors in conformity with this plan and the terms and conditions under which it is approved.

4/7/04
Date


Larry Johnson for WhitMar Exploration Company



ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 5981.1'
 ELEVATION OF GRADED GROUND AT LOCATION STAKE = 5980.6'



TALON RESOURCES, INC.

195 North 100 West P.O. Box 1290

Huntington, Utah 84528

Phone (435)687-5310 Fax (435)687-5311

E-Mail talon@etv.net

**WHITMAR EXPLORATION
 COMPANY**

LOCATION LAYOUT
 Section 27, T13S, R11E, S.L.B.&M.
WELL #27-4

Drawn By:
J. STANSFIELD

Checked By:
L.W.J.

Drawing No.

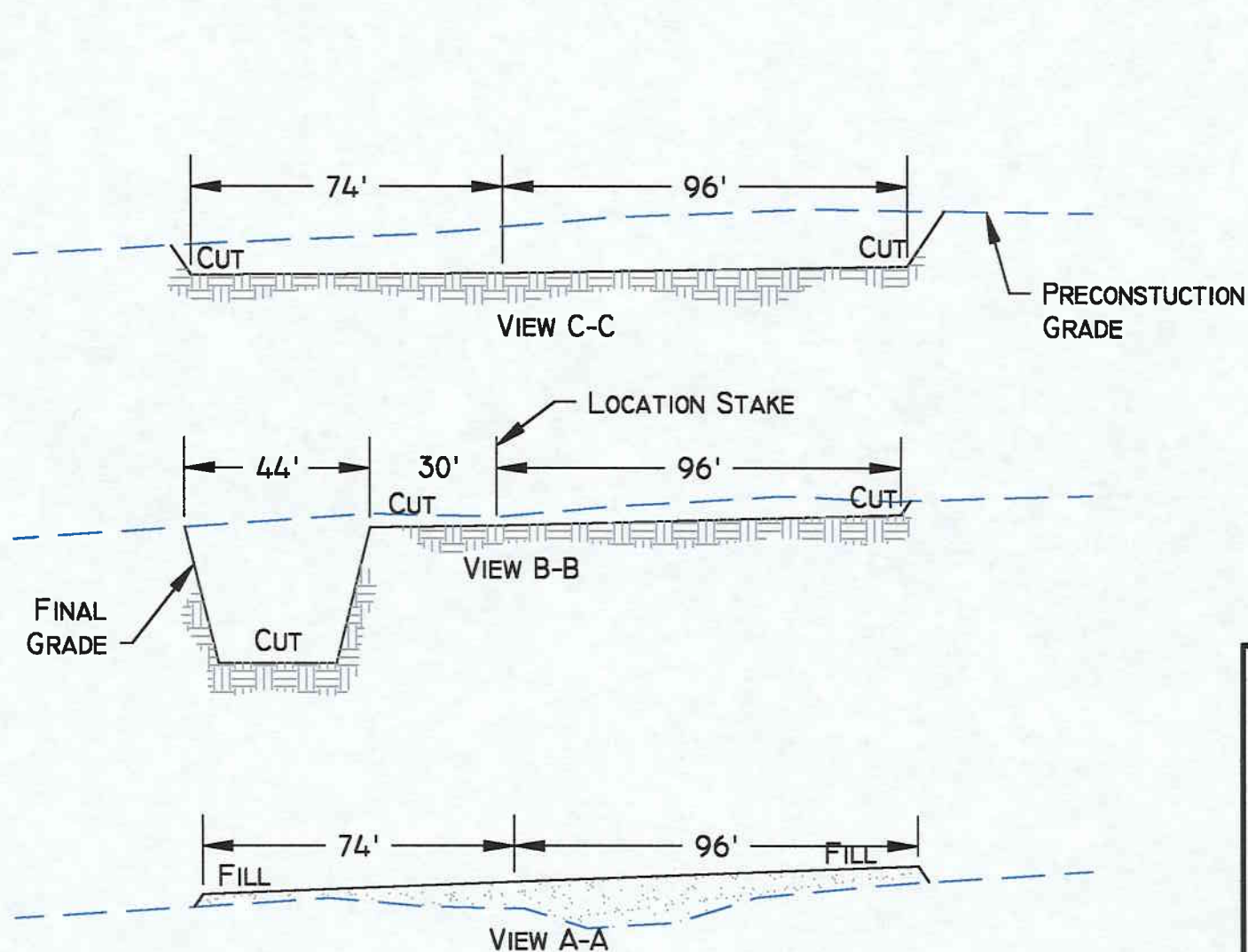
Date:
02/03/04

A-2

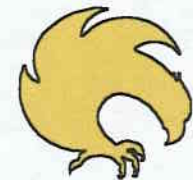
Scale:
1" = 50'

Sheet **2** of **4**

Job No.
1276



SLOPE = 1 1/2 : 1
(EXCEPT PIT)
PIT SLOPE = 1 ; 1



TALON RESOURCES, INC.

195 North 100 West P.O. Box 1230
Huntington, Utah 84528
Phone (435)687-5310 Fax (435)687-5311
E-Mail talonnetv.net

**WHITMAR EXPLORATION
COMPANY**

TYPICAL CROSS SECTION
Section 27, T13S, R11E, S.L.B.&M.
WELL #27-4

Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. C-1	Date: 02/04/04
	Scale: 1" = 40'
Sheet 3 of 4	Job No. 1276

APPROXIMATE YARDAGES

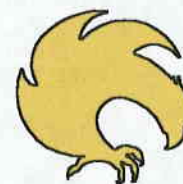
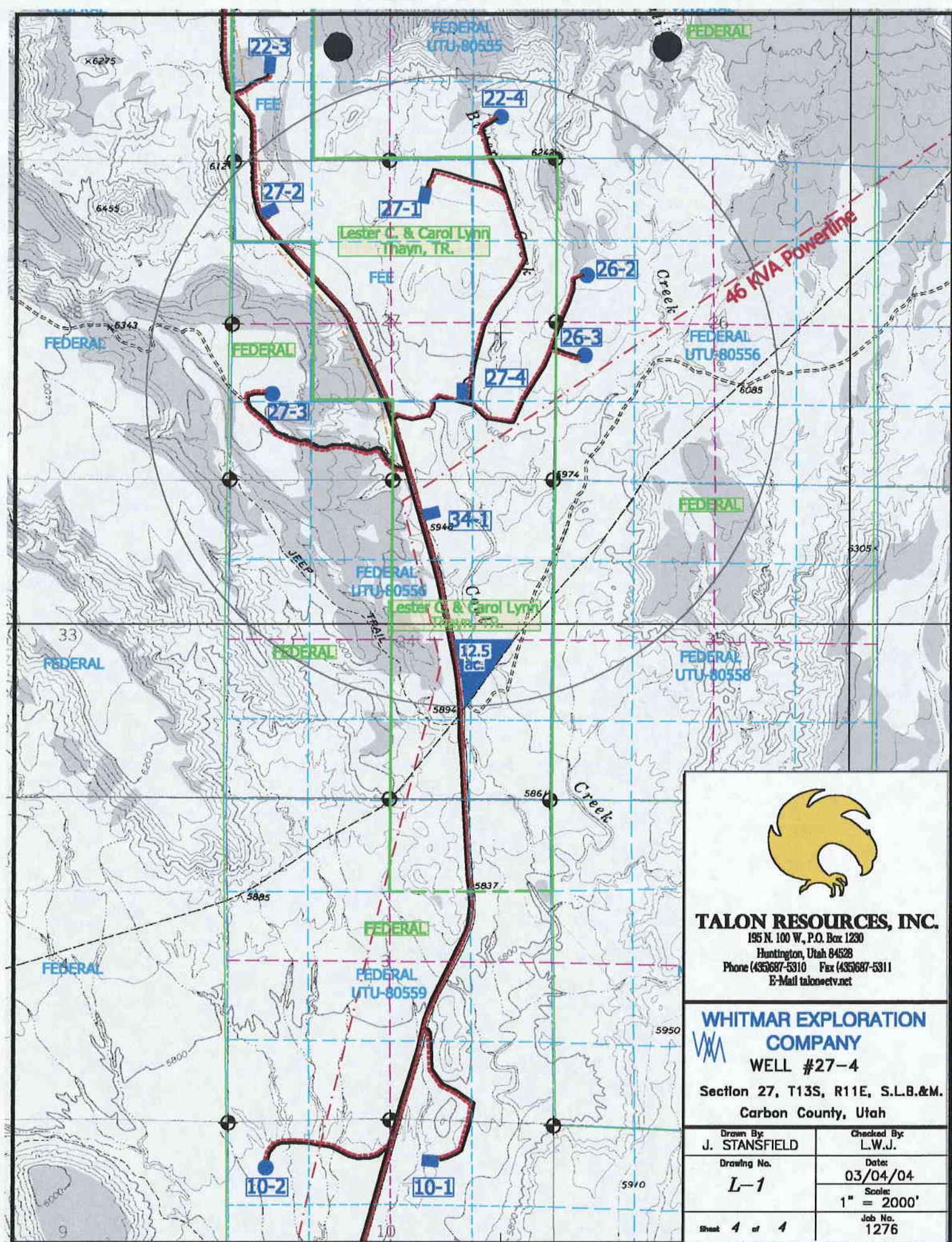
6") TOPSOIL STRIPPING = 750 CU. YDS.

REMAINING LOCATION = 1,830 CU. YDS.

(INCLUDING TOPSOIL STRIPPING)

TOTAL CUT (INCLUDING PIT) = 2,680 CU. YDS.

TOTAL FILL = 660 CU. YDS.



TALON RESOURCES, INC.

195 N. 100 W., P.O. Box 1230

Huntington, Utah 84528

Phone (435) 687-5310 Fax (435) 687-5311

E-Mail talonnetv.net

WHITMAR EXPLORATION COMPANY

WELL #27-4

Section 27, T13S, R11E, S.L.B.&M.

Carbon County, Utah

Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. L-1	Date: 03/04/04
	Scale: 1" = 2000'
Sheet 4 of 4	Job No. 1276

WhitMar Exploration Company



TN * / MN
12 1/2°

0 0.5 1 1.5 2 2.5 3 3.5 miles
0 1 2 3 4 5 km

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BLOOE
PIT

PIPE RACKS

BASKET

BASKET

BASKET

BASKET

PIPE RACKS

RESERVE PIT

MUD PIT

13'

50'

RIG

SUBST

WATER TANK 10'

40'

22'

PUMP

PUMP

LIGHT PLANT

8'

8'

26'

DIESEL FUEL PROPANE

AIR
PACKAGE

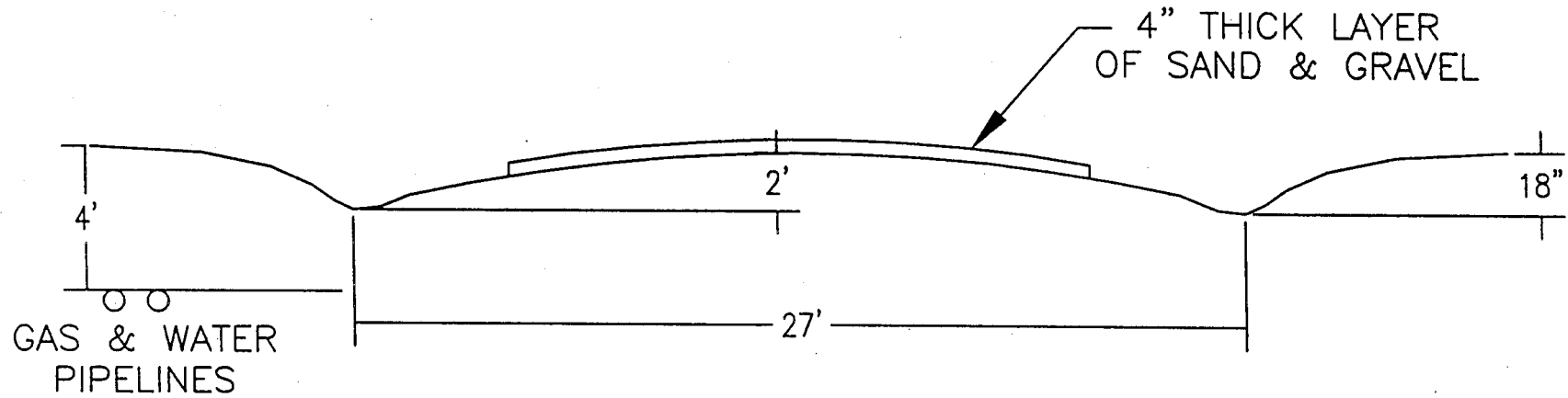
35'

TRAILER 8'

APPROXIMATE LAYOUT OF RIG & EQUIPMENT
(Not to Scale)

EXHIBIT "C"

TYPICAL ROAD CROSS-SECTION



BOP Equipment

2000 psi WP

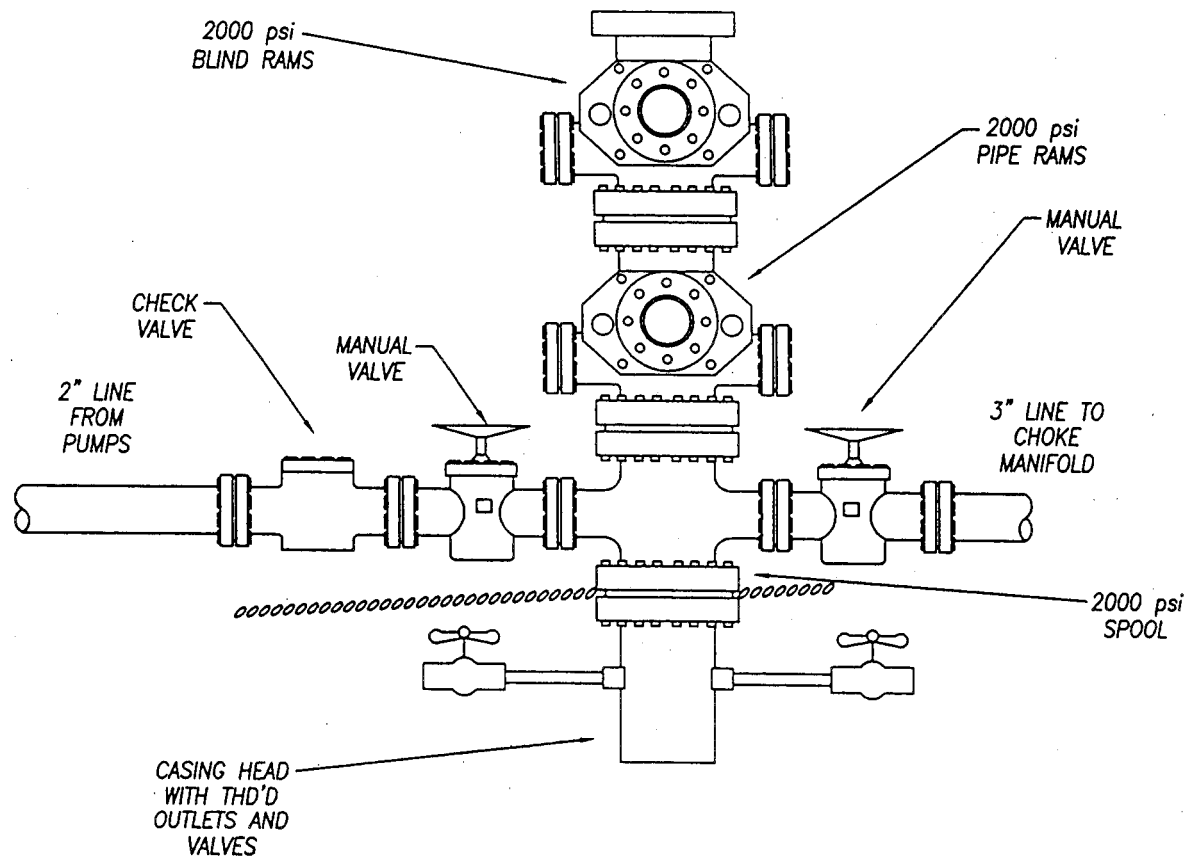
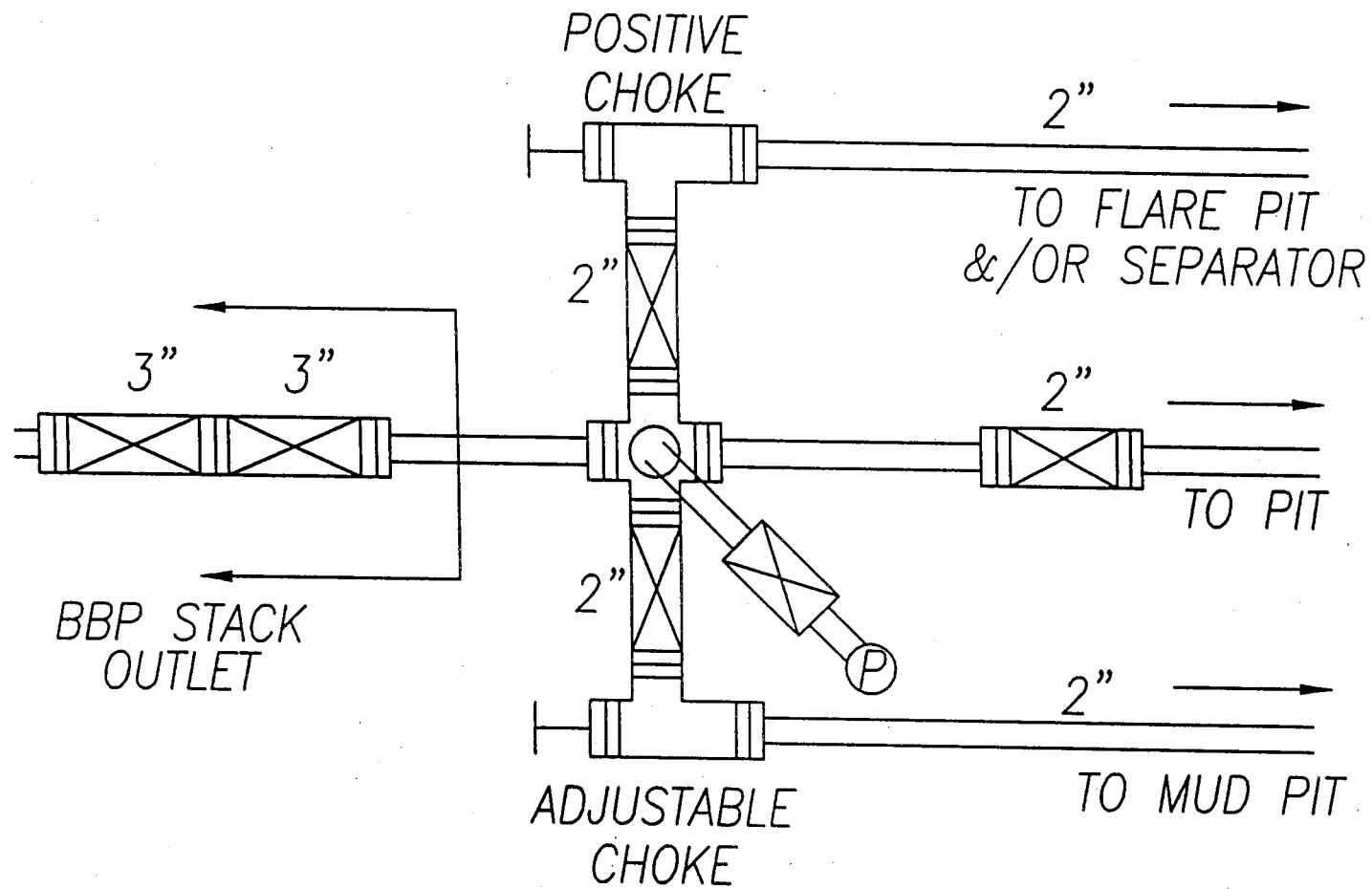


EXHIBIT "G"

CHOKE MANIFOLD



STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL				5. MINERAL LEASE NO: Fee		6. SURFACE: Fee	
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B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>						8. UNIT or CA AGREEMENT NAME: N/A	
2. NAME OF OPERATOR: WhitMar Exploration Company						9. WELL NAME and NUMBER: 27-4	
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						13. STATE: UTAH	
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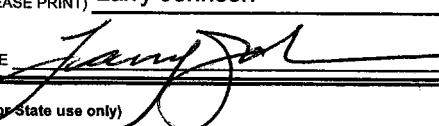
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12-1/4"	8-5/8"	J-55 ST	24 #	350	Howco Prem Plus V	200 sacks	1.20 cu.ft/sk
7-7/8"	5-1/2"	J-55 ST	15.5 #	2,800	Howco CBM Lt LCM	90 sacks	4.59 cu.ft/sk
					Howco CBM Light	80 sacks	1.99 cu.ft/sk

RECEIVED

APR 09 2004

25. ATTACHMENTS		DIV. OF OIL, GAS & MINING	
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:			
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN	CONFIDENTIAL	
<input type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER		

NAME (PLEASE PRINT) Larry Johnson TITLE Agent for WhitMar Exploration Company

SIGNATURE  DATE 4/7/2004

(This space for State use only)

API NUMBER ASSIGNED: 43-007-30940

APPROVAL:

Range 11 East

(WEST - 5316.96')

Location:

THE WELL LOCATION WAS DETERMINED USING A TRIMBLE 4700 GPS SURVEY GRADE UNIT.

Basis of Bearing:

THE BASIS OF BEARING IS GPS MEASURED.

GLO Bearing:

THE BEARINGS INDICATED ARE PER THE RECORDED PLAT OBTAINED FROM THE U.S. LAND OFFICE.

Basis of Elevation:

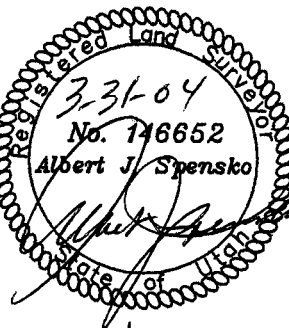
BASIS OF ELEVATION OF 6243' BEING AT THE NORTHEAST CORNER OF SECTION 27, TOWNSHIP 13 SOUTH, RANGE 11 EAST, SALT LAKE BASE & MERIDIAN, AS SHOWN ON THE DEADMAN CANYON QUADRANGLE 7.5 MINUTE SERIES MAP.

Description of Location:

PROPOSED DRILL HOLE LOCATED IN THE NW 1/4, SE 1/4 OF SECTION 27; BEING 1437.98' NORTH AND 1412.08' WEST FROM THE SOUTHEAST CORNER OF SECTION 27, T13S, R11E, SALT LAKE BASE AND MERIDIAN.

Surveyor's Certificate:

I, ALBERT J. SPENSKO, A REGISTERED PROFESSIONAL LAND SURVEYOR, HOLDING CERTIFICATE 146652 STATE OF UTAH, DO HEREBY CERTIFY THAT THE INFORMATION ON THIS DRAWING IS A TRUE AND ACCURATE SURVEY BASED ON DATA OF RECORD AND WAS CONDUCTED UNDER MY PERSONAL DIRECTION AND SUPERVISION AS SHOWN HEREON.



GRAPHIC SCALE

0 500' 1000'
(IN FEET)
1 inch = 1000 ft.



Talon Resources, Inc.

195 North 100 West
Huntington, Utah 84528
Ph: 435-687-5310
Fax: 435-687-5311

**WHITMAR EXPLORATION
COMPANY**

WELL #27-4

Section 27, T13S, R11E, S.L.B.&M.
Carbon County, Utah

Drawn By: J. STANSFIELD	Checked By: L.W.J./A.P.C.
Drawing No. A-1	Date: 02/09/04
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 1274

Township 13 South

N89°15'35"E - 2636.05'

S89°38'10"E - 2663.20'

ELEVATION
6243'

(N00°07'26"W - 2665.72')
(N00°15'E - 2676.30')

(N00°20'E - 2657.82')
(N00°38'26"W - 2668.06')

S89°49'00"W - 2656.12'

N89°44'47"W - 2643.13'

(N89°57'W - 5334.12')

27

1412.08'
1437.98'
WELL #27-4
ELEVATION 5981.1'
UTM
N 4390310
E 528432

Legend

- Drill Hole Location
- ⊙ Brass Cap (Found)
- Brass Cap (Searched for, but not found)
- △ Calculated Corner
- () GLO
- GPS Measured

NOTE:

UTM AND LATITUDE / LONGITUDE COORDINATES ARE DERIVED USING A GPS WASS SYSTEM AND ARE SHOWN IN NAD 27 DATUM.

LAT/LONG
39°39'50"N
110°40'07"W

34



1

1



1

2

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WORKSHEET
APPLICATION FOR PERMIT TO DRILL

004

APD RECEIVED: 04/09/2004

API NO. ASSIGNED: 43-007-30940

WELL NAME: 27-4

OPERATOR: WHITMAR EXPLORATION (N2585)

CONTACT: LARRY JOHNSON

PHONE NUMBER: 713-739-7300

PROPOSED LOCATION:

NWSE 27 130S 110E

SURFACE: 1438 FSL 1412 FEL

BOTTOM: 1438 FSL 1412 FEL

CARBON

WILDCAT (1)

LEASE TYPE: 4 - Fee

LEASE NUMBER: FEE

SURFACE OWNER: 4 - Fee

PROPOSED FORMATION: FRSD

COALBED METHANE WELL? YES

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering	DRD	8/3/04
Geology		
Surface		

LATITUDE: 39.66394

LONGITUDE: -109.6686

RECEIVED AND/OR REVIEWED:

- ☒ Plat
- ☒ Bond: Fed[] Ind[] Sta[] Fee[]
(No. LPM8792527)
- ☒ Potash (Y/N)
- ☒ Oil Shale 190-5 (B) or 190-3 or 190-13
- ☒ Water Permit
(No. MUNICIPAL)
- ☒ RDCC Review (Y/N)
(Date:)
- ☒ Fee Surf Agreement (Y/N)

LOCATION AND SITING:

___ R649-2-3.

Unit _____

___ R649-3-2. General

Siting: 460 From Qtr/Qtr & 920' Between Wells

___ R649-3-3. Exception

☒ Drilling Unit

Board Cause No: 241-6

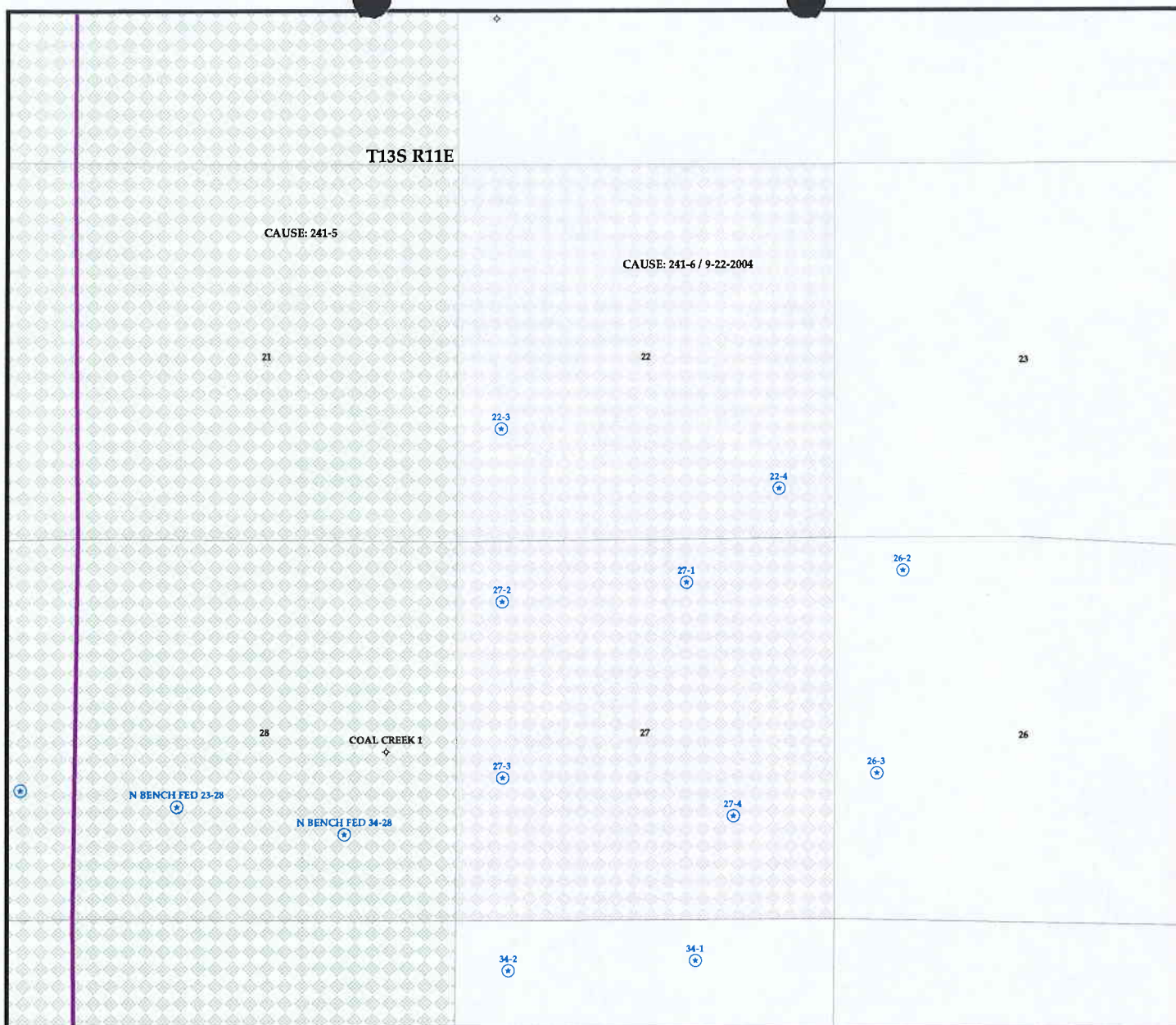
Eff Date: 9-22-04

Siting: 460' fr outer bdy u & 920' fr other wells

___ R649-3-11. Directional Drill

COMMENTS: Recd Presite 4-28-04

STIPULATIONS: ① STATEMENT OF BASIS



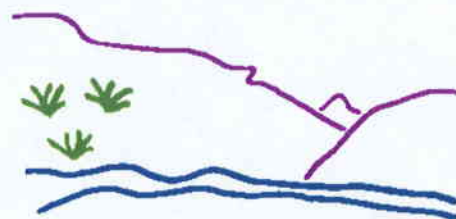
OPERATOR- WHITMAR EXPL CO (N2585)

SEC. 22 & 27 T.13S R.11E

FIELD: WILDCAT (001)

COUNTY: CARBON

CAUSE: 241-6 / 9-22-2004



Utah Oil Gas and Mining

Wells

- ✂ GAS INJECTION
- ✱ GAS STORAGE
- ✕ LOCATION ABANDONED
- ⊙ NEW LOCATION
- ✧ PLUGGED & ABANDONED
- ✱ PRODUCING GAS
- PRODUCING OIL
- ✱ SHUT-IN GAS
- SHUT-IN OIL
- ✕ TEMP. ABANDONED
- TEST WELL
- △ WATER INJECTION
- ◆ WATER SUPPLY
- ✂ WATER DISPOSAL

Units.shp

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Fields.shp

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED



PREPARED BY: DIANA WHITNEY
DATE: 17-MARCH-2005

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 04/09/2004

API NO. ASSIGNED: 43-007-30940

WELL NAME: 27-4

OPERATOR: WHITMAR EXPLORATION (N2585)

CONTACT: LARRY JOHNSON

PHONE NUMBER: 713-739-7300

PROPOSED LOCATION:

NWSE 27 130S 110E

SURFACE: 1438 FSL 1412 FEL

BOTTOM: 1438 FSL 1412 FEL

CARBON

WILDCAT (1)

LEASE TYPE: 4 - Fee

LEASE NUMBER: FEE

SURFACE OWNER: 4 - Fee

PROPOSED FORMATION: FRSD

COALBED METHANE WELL? NO

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering	DKD	8/3/04
Geology		
Surface		

LATITUDE: 39.66394

LONGITUDE: 109.66859

RECEIVED AND/OR REVIEWED:

- ☒ Plat
- ☒ Bond: Fed[] Ind[] Sta[] Fee[4]
(No. Lpm8792527)
- ☒ Potash (Y/N)
- ☒ Oil Shale 190-5 (B) or 190-3 or 190-13
- ☒ Water Permit
(No. MUNICIPAL)
- ☒ RDCC Review (Y/N)
(Date: 05/01/2004)
- ☒ Fee Surf Agreement (Y/N)

LOCATION AND SITING:

- ___ R649-2-3.
Unit _____
- ___ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
- ☒ R649-3-3. Exception
- ___ Drilling Unit
Board Cause No: _____
Eff Date: _____
Siting: _____
- ___ R649-3-11. Directional Drill

COMMENTS:

Needs Permit (04-28-04)

STIPULATIONS:

1- Spacing Strip



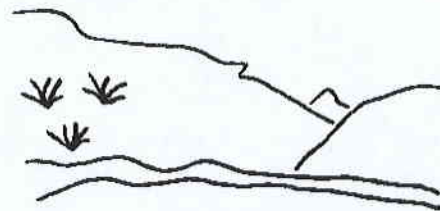
OPERATOR: WHITMAR EXPL CO (N2585)

SEC. 27 T.13S, R.11E

FIELD: WILDCAT (001)

COUNTY: CARBON

SPACING: R649-3-3 / EXCEPTION LOCATION



Utah Oil Gas and Mining

Well Status

- ✂ GAS INJECTION
- ✱ GAS STORAGE
- × LOCATION ABANDONED
- ⊕ NEW LOCATION
- ◇ PLUGGED & ABANDONED
- ✱ PRODUCING GAS
- PRODUCING OIL
- ✱ SHUT-IN GAS
- ✱ SHUT-IN OIL
- ✂ TEMP. ABANDONED
- TEST WELL
- △ WATER INJECTION
- ◆ WATER SUPPLY
- ⚡ WATER DISPOSAL

Unit Status

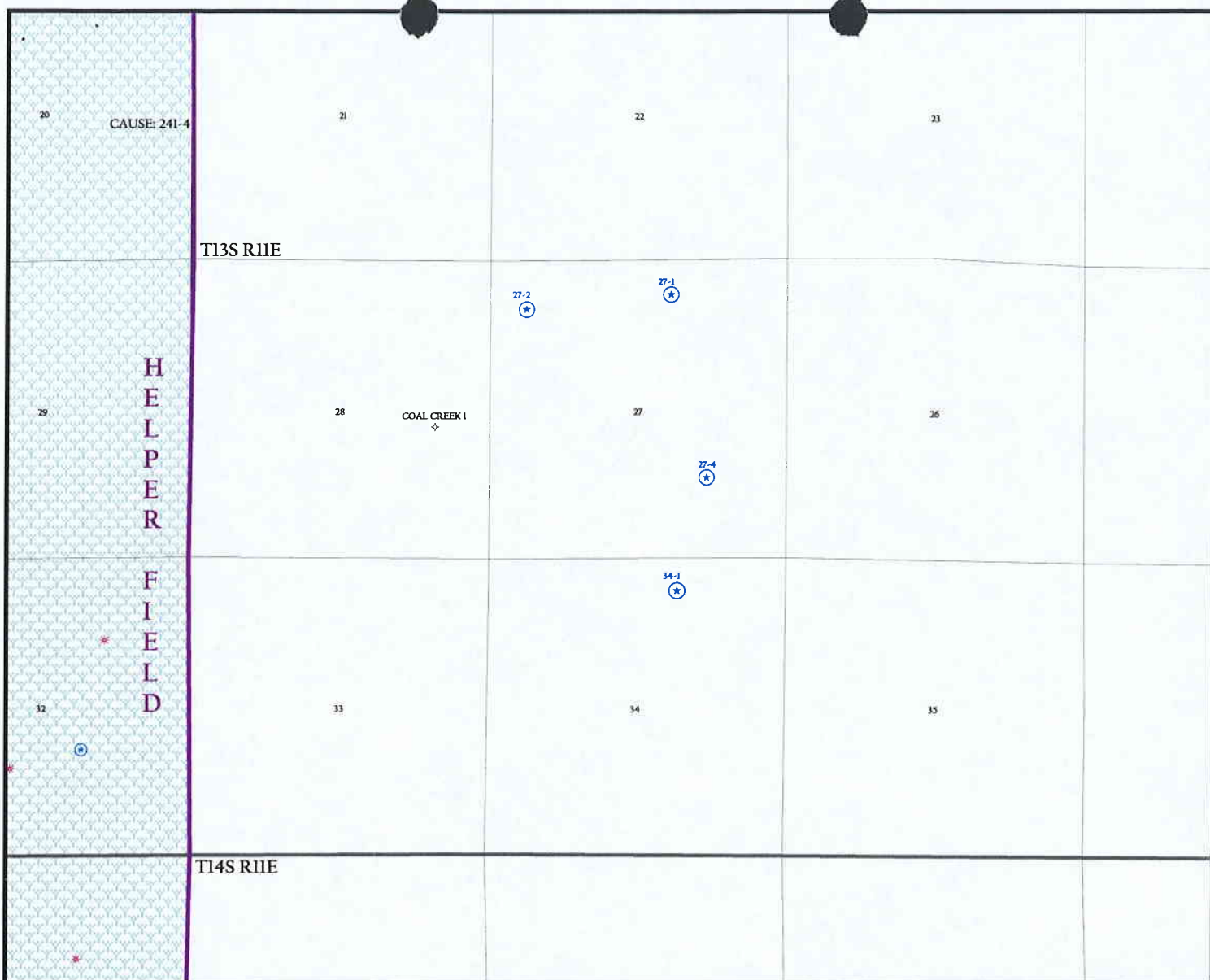
- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Field Status

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED



PREPARED BY: DIANA WHITNEY
DATE: 16-APRIL-2004



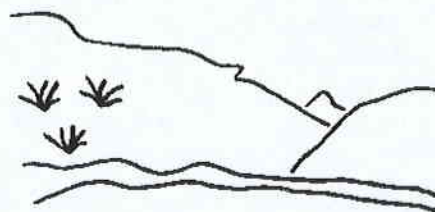
OPERATOR: WHITMAR EXPL CO (N)

SEC. 27 T.13S, R.11E

FIELD: WILDCAT (002)

COUNTY: CARBON

SPACING: R649-3-3 / EXCEPTION LOCATION



Utah Oil Gas and Mining

Well Status

- ⚡ GAS INJECTION
- ✳ GAS STORAGE
- ✕ LOCATION ABANDONED
- ⊕ NEW LOCATION
- ⬢ PLUGGED & ABANDONED
- ✱ PRODUCING GAS
- PRODUCING OIL
- ✱ SHUT-IN GAS
- ✱ SHUT-IN OIL
- ✕ TEMP. ABANDONED
- TEST WELL
- △ WATER INJECTION
- ◆ WATER SUPPLY
- ⚡ WATER DISPOSAL

Unit Status

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

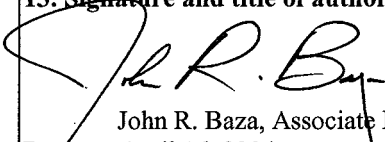
Field Status

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED



PREPARED BY: DIANA WHITNEY
DATE: 12-APRIL-2004

STATE ACTIONS
Governor's Office of Planning and Budget
Resource Development Coordinating Committee
P.O. Box 145610
1594 W. North Temple, Suite 3710
SLC, UT 84114-5610
538-5535

1. Administering State Agency Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801	2. Approximate date project will start: Upon Approval or May 15, 2004
3. Areawide clearinghouse(s) receiving state action: (to be sent out by agency in block 1) Southeastern Utah Association of Governments	
4. Type of action: // Lease /X/ Permit // License // Land Acquisition // Land Sale // Land Exchange // Other _____	
5. Title of proposed action: Application for Permit to Drill	
6. Description: WhitMar Exploration Company proposes to drill the 27-4 well (wildcat) on a Fee lease, Carbon County, Utah. This action is being presented to the RDCC for consideration of resource issues affecting state interests. The Division of Oil, Gas and Mining is the primary administrative agency in this action and must issue approval before operations commence.	
7. Land affected (site location map required) (indicate county) – include UTM coordinates where possible 1438' FSL 1412' FEL NW/4, SE/4, Section 27, Township 13 S, Range 11 E, Carbon County, Utah	
8. Jordan River Natural Areas Forum review – If the proposed action affects lands within the Jordan River Natural Areas Corridor. N/A	
9. Has the local government(s) been contacted? No If yes, a. How was contact made? b. Who was contacted? c. What was the response? d. If no response, how is the local government(s) likely to be impacted?	
10. Possible significant impacts likely to occur: Degree of impact is based on the discovery of oil or gas in commercial quantities.	
11. Name and phone of district representative from your agency near project site, if applicable: N/A	
12. For further information, contact: Diana Whitney Phone: (801) 538-5312	13. Signature and title of authorized officer  John R. Baza, Associate Director Date: April 16, 2004

ON-SITE PREDRILL EVALUATION
Division of Oil, Gas and Mining

OPERATOR: WhitMar Exploration Company
WELL NAME & NUMBER: 27-4
API NUMBER: 43-007-30940
LEASE: Fee **FIELD/UNIT:** _____
LOCATION: 1/4, 1/4 NWSE **Sec:** 27 **TWP:** 13S **RNG:** 11E 1438 **FSL** 1412 **FEL**
LEGAL WELL SITING: 460 F **SEC. LINE;** 460 F **1/4, 1/4 LINE;** 920 F **ANOTHER WELL.**
GPS COORD (UTM): X = 528432 E; Y = 4390310 N **SURFACE OWNER:** L. Thayne Trust

PARTICIPANTS

M. Jones (DOGM), A. Childs (TALON for WhitMar).

REGIONAL/LOCAL SETTING & TOPOGRAPHY

Proposed location is ~8.5 miles northeast of Price, Utah. Staked location lies south of the abandoned Knight Ideal coal mine ~3.5 miles in the Coal Creek area. Access to this well will be along existing Carbon County maintained roadways. Approximately 1900' of existing two-track road will be improved, and 100' of new road will be built to access this location. The direct area drains to the southeast into Coal Creek then south-eastwardly eventually into the Price River, a year-round live water source. Dry washes run throughout the area, which have the potential of carrying large volumes of water in thunderstorm events.

SURFACE USE PLAN

CURRENT SURFACE USE: Wildlife habitat and grazing.

PROPOSED SURFACE DISTURBANCE: 170' x 260' (80' x 44' x 8' included pit.)

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: 7 proposed well are within a 1 mile radius of the above proposed well.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: Along roadside.

SOURCE OF CONSTRUCTION MATERIAL: Obtained locally and transported in.

ANCILLARY FACILITIES: None anticipated.

WASTE MANAGEMENT PLAN:

Portable chemical toilets which will be emptied into the municipal waste treatment system; garbage cans on location will be emptied into centralized dumpsters which will be emptied into an approved landfill. Crude oil production is unlikely. Drilling fluid, completion / frac fluid and cuttings will be buried in the pit after evaporation and slashing the pit liner. Produced water will be gathered to the evaporation pit and eventually injected via an approved salt-water disposal well. Used oil from drilling operations and support is hauled to a used oil recycler and reused.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: Dry washes.

FLORA/FAUNA: sagebrush, greasewood, grasses, deer, antelope, small game, raptors and other fowl, and rodents.

SOIL TYPE AND CHARACTERISTICS: sandy clay loam.

EROSION/SEDIMENTATION/STABILITY: Stable until disturbed.

PALEONTOLOGICAL POTENTIAL: None observed.

RESERVE PIT

CHARACTERISTICS: Dugout earthen pit.

LINER REQUIREMENTS (Site Ranking Form attached): Liner optional.

SURFACE RESTORATION/RECLAMATION PLAN

As per surface use agreement.

SURFACE AGREEMENT: Agreement signing contingent upon BLM EA approval.

CULTURAL RESOURCES/ARCHAEOLOGY: Arch study completed by Senco-Pheonix.

OTHER OBSERVATIONS/COMMENTS

Note that bonding was not in place yet at time of pre-site inspection.

ATTACHMENTS

Photos of this location were taken and placed on file.

Mark L. Jones
DOGM REPRESENTATIVE

April 28, 2004 / 11:00 am
DATE/TIME

**DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS**

OPERATOR: WhitMar Exploration Company
WELL NAME & NUMBER: 27-4
API NUMBER: 43-007-30940
LOCATION: 1/4, 1/4 NWSE Sec: 27 TWP: 13S RNG: 11E 1438 FSL 1412 FEL

Geology/Ground Water:

Significant volumes of high quality ground water are unlikely to be encountered at this location. A poorly permeable soil is likely to be developed on the Blue Gate Member of the Mancos Shale. The proposed casing and cementing program should adequately isolate any zones of fresh water that may be penetrated. No water rights have been filed within a mile of the proposed well site.

Reviewer: Christopher J. Kierst

Date: 5/26/2004

Surface:

Proposed location is ~8.5 miles northeast of Price, Utah. Staked location lies south of the abandoned Knight Ideal coal mine ~3.5 miles in the Coal Creek area. Access to this well will be along existing Carbon County maintained roadways. Approximately 1900' of existing two-track road will be improved, and 100' of new road will be built to access this location. The direct area drains to the southeast into Coal Creek then south-eastwardly eventually into the Price River, a year-round live water source. Dry washes run throughout the area, which have the potential of carrying large volumes of water in thunderstorm events. Pit ranking criteria scored at level II, liner optional. Operator will install a synthetic liner, 12 mil. minimum, if deemed necessary during construction of the reserve pit. The surface owner and Carbon County were invited but chose not to attend this on-site meeting.

Reviewer: Mark L. Jones **Date:** May 24, 2004

Conditions of Approval/Application for Permit to Drill:

1. Berm the location and pit.
2. Divert all existing drainages around the location.
3. A minimum 12 mil. synthetic liner required lining the reserve pit if deemed necessary by the operator.

**Evaluation Ranking Criteria and Ranking Score
For Reserve and Onsite Pit Liner Requirements**

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>0</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>2</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>10</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid	15	
containing significant levels of hazardous constituents	20	<u>0</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>0</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>

Final Score 12 (Level II Sensitivity)

Sensitivity Level I = 20 or more; total containment is required.

Sensitivity Level II = 15-19; lining is discretionary.

Sensitivity Level III = below 15; no specific lining is required.

UTAH DIVISION OF WATER RIGHTS

WRPLAT Point of Diversion Query Program

Version: 2004.03.26.00

Rundate: 05/26/2004 01:49 PM

Section Query Page

Search

Browse

Bearing Calculator

Location Calculator

Quit

Fill in the information below and press the submit button to perform a point of diversion search using a radius from a point.

Search Radius (feet): 5280

from a point located North 1438 feet West 1412 feet

from the SE Corner, Section 27

Township 13S, Range 11E, SL b&m.

QUERY TYPE LIMITATIONS

STATUS OF RIGHT	TYPE OF DIVERSION	APPLICATION TYPE	WATER USE TYPE
<input checked="" type="checkbox"/> Unapproved	<input checked="" type="checkbox"/> Underground	<input checked="" type="checkbox"/> Water Right	<input checked="" type="checkbox"/> Irrigation
<input checked="" type="checkbox"/> Approved	<input checked="" type="checkbox"/> Surface	<input checked="" type="checkbox"/> Changes	<input checked="" type="checkbox"/> Stock Water
<input checked="" type="checkbox"/> Perfected	<input checked="" type="checkbox"/> Springs	<input checked="" type="checkbox"/> Exchanges	<input checked="" type="checkbox"/> Domestic
<input type="checkbox"/> Terminated	<input type="checkbox"/> Drains	<input type="checkbox"/> Test Wells	<input checked="" type="checkbox"/> Municipal
	<input type="checkbox"/> Point to Point	<input type="checkbox"/> Sewage Reuse	<input checked="" type="checkbox"/> Mining
	<input type="checkbox"/> Rediversion		<input checked="" type="checkbox"/> Power
			<input checked="" type="checkbox"/> Other

[Natural Resources](#) | [Contact](#) | [Disclaimer](#) | [Privacy Policy](#) | [Accessibility Policy](#)



Sorry. No diversion points. Try browsing!

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Well name:

07-04 Whitmar 27-4Operator: **Whitmar Exploration**String type: **Surface**

Project ID:

43-007-30940

Location: **Carbon County****Design parameters:****Collapse**

Mud weight: 8.400 ppg

Design is based on evacuated pipe.

Minimum design factors:**Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No

Surface temperature: 65 °F

Bottom hole temperature: 70 °F

Temperature gradient: 1.40 °F/100ft

Minimum section length: 200 ft

Cement top: 23 ft

Burst

Max anticipated surface pressure:

-11 psi

Internal gradient: 0.468 psi/ft

Calculated BHP 153 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)

8 Round LTC: 1.80 (J)

Buttress: 1.60 (J)

Premium: 1.50 (J)

Body yield: 1.50 (B)

Tension is based on air weight.

Neutral point: 306 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 2,800 ft

Next mud weight: 8.800 ppg

Next setting BHP: 1,280 psi

Fracture mud wt: 19.250 ppg

Fracture depth: 350 ft

Injection pressure 350 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	350	8.625	24.00	J-55	ST&C	350	350	7.972	16.9
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	153	1370	8.970	153	2950	19.32	8	244	29.05

Prepared by: Clinton Dworshak
Utah Div. of Oil & MiningPhone: 801-538-5280
FAX: 801-359-3940Date: July 30, 2004
Salt Lake City, Utah**Remarks:**

Collapse is based on a vertical depth of 350 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	07-04 Whitmar 27-4	
Operator:	Whitmar Exploration	Project ID:
String type:	Production	43-007-30940
Location:	Carbon County	

Design parameters:
Collapse

Mud weight: 8.800 ppg
Design is based on evacuated pipe.

Minimum design factors:
Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 104 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 368 ft

Cement top: 773 ft

Burst

Max anticipated surface pressure: -29 psi
Internal gradient: 0.468 psi/ft
Calculated BHP 1,280 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Non-directional string.

Tension is based on air weight.
Neutral point: 2,427 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	2800 ✓	5.5 ✓	15.50 ✓	J-55 ✓	ST&C ✓	2800	2800	4.825	87.8

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	1280	4040	3.156 ✓	1280	4810	3.76 ✓	43	202	4.65 J ✓

Prepared Clinton Dworshak
by: Utah Div. of Oil & Mining

Phone: 801-538-5280
FAX: 801-359-3940

Date: July 30, 2004
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 2800 ft, a mud weight of 8.8 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

07-04 Whitmar 27-4

Casing Schematic

Maros Shale

Surface

Propose Cement To Surface

TOC @
23.

w/ 18% Washout
Surface w/ 15% Washout

8-5/8"
MW 8.4
Frac 19.3

Surface
350. MD

TOC @
773.

BHP

$$(.052)(8.8)(2800) = 1281$$

Anticipate 1,000

Gao

$$(.12)(2800) = 336$$

MASP = 945

BoPE - 2000 proposed ✓

Sen/ Casing - 2950

70% = 2065

Propose Test To 1,000 ✓

Adequate Dues
8/3/04

w/ 15% Washout

Surface w/ 4% Washout

2200

Blue Gate

2236 TOC Tail

2500 Ferron S.S

5-1/2"
MW 8.8

Production
2800. MD

WHITMAR EXPLORATION COMPANY

002

Market Square Center
1400 16th Street, Suite 400
Denver, Colorado 80202
Telephone 720-932-8197 • Fax 720-932-8100

One City Centre
1021 Main Street, Suite 1100
Houston, Texas 77002
Telephone 713-739-7300 • Fax 713-739-7333
Joseph Kilchrist, Operations Engineer
Email: jkilchrist@whitmar.com

14 July 2004

Mr. Allen Parker Childs, President
Talon Resources, Inc.
Post Office Box 1230
Huntington, Utah
84528

RE: Surface Damage Release and Surface Right of Way Grant

Dear Allen;

Please find attached the referenced document, which is a copy of the original. Both parties notarized the original.

I trust this shall suffice for the regulatory bodies for purposes of Application for Permit to Drill (APD) and that Talon Resources will submit same in a timely manner.

If this is not the case, please notify Ms. Lynn Latiolais of this office as soon as practical.

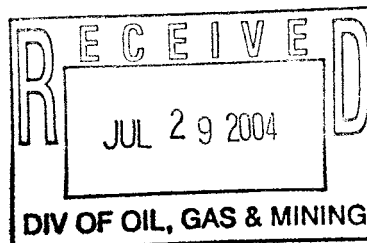
Kind regards,



jk

(1) Enclosure

cc Ms. Lynn Latiolais



SURFACE DAMAGE RELEASE AND SURFACE RIGHT OF WAY GRANT

IN CONSIDERATION of the sum of Fifteen (\$15.00) per rod for access roads and One Thousand (\$1,000.00) per well site pad for each well drilled on the subject land, paid by WHITMAR EXPLORATION COMPANY, hereinafter referred to as "WhitMar", the receipt and sufficiency of which are hereby acknowledged, the undersigned, LESTER C. THIAYN and CAROL LYNN THIAYN, husband and wife, hereinafter referred to as the "Surface Owner" being the present owner of all or part of the surface covering:

Township 13 South, Range 11 East, SLM
Section 22: W2SW
Section 27: W/2NE, E/2NW, NWNW, NWSE, NESW
Section 34: E2
Township 14 South, Range 11 East, SLM
Section 3: N2NE
Containing 960 acres, more or less

does hereby release, acquit, and forever discharge WhitMar Exploration Company, its successors and assigns, of all liability for all damages created or caused by reasons of the clearing, use, and all operations including drilling, completing, and subsequent operation of oil and/or gas well(s), which may be drilled by WhitMar and/or an assignee of WhitMar on any of the above described lands.

This release is intended to cover all surface damages to crops, trees, grass and/or other vegetation and soil damage. It is understood that WhitMar will have use of the wellsite surface and access road if the well(s) subject hereto is completed as a producer. Contemporaneously herewith, in consideration of the hereinabove said \$15.00 per rod for access roads and \$1,000.00 per well site pad, Surface Owner does hereby grant to WhitMar, its successors and assigns, any surface and subsurface rights in Sections 22, 27, and 34 of Township 13 South, Range 11 East, SLM; Section 3 of Township 14 South, Range 11 East, SLM necessary for the drilling, completing, and subsequent operation of well(s), including but not limited to rights-of-way, right of ingress and egress, easement rights, right to build and use roadways, right to build drilling pad and mud pits, right to place production equipment and/or storage tanks on the surface for said well, and the right to lay a pipeline under the surface for production from said well.

Location will be kept clean and free of trash and will be restored to original condition as near as possible after well is drilled and completed or plugged and abandoned. The undersigned represents that there is no tenant lessee or authorized persons in possession of the above described lands, other than is indicated below, and further agrees to defend, indemnify and hold WhitMar harmless against any claim or demand for payment of surface damages occasioned by damage to the above described lands, to any third party.

In WITNESS WHEREOF, this instrument has been executed by the undersigned this 14 day of

June, 2004.

SURFACE OWNER

Lester C. Thayne
LESTER C. THIAYN

Carol Lynn Thayne
CAROL LYNN THIAYN

WHITMAR EXPLORATION COMPANY

Whitney H. Marvin
Whitney H. Marvin, President

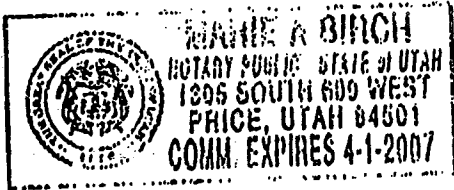
ACKNOWLEDGMENT

State of Utah)

County of Carbon)

§

On this 14 day of June, in the year 2004, before me Lester C. Thayn & Carol Lynn Th, a notary public, personally appeared LESTER C. THAYN and CAROL LYNN THAYN, proved on the basis of satisfactory evidence to be the persons whose names are subscribed to this instrument, and acknowledged they executed the same. Witness my hand and official seal.



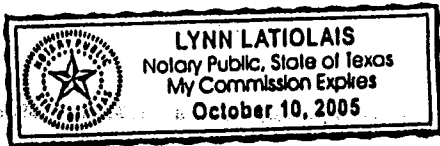
Marie A. Birch
NOTARY PUBLIC
Printed Name: Marie A. Birch

State of Texas)

County of Harris)

§

On this 8 day of June, in the year 2004, before me Lynn Latiolais, a notary public, personally appeared Whitney H. Marvin, President of WHITMAR EXPLORATION COMPANY, an Oklahoma corporation, proved on the basis of satisfactory evidence to be the person whose name is subscribed to this instrument, and acknowledged he executed the same. Witness my hand and official seal.



Lynn Latiolais
NOTARY PUBLIC
Printed Name: Lynn Latiolais

**State of Utah****Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

MARY ANN WRIGHT
Acting Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

March 17, 2005

WhitMar Exploration Company
1021 Main, Suite 1100
Houston, TX 77002

Re: 27-4 Well, 1438' FSL, 1412' FEL, NW SE, Sec. 27, T. 13 South, R. 11 East,
Carbon County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-007-30940.

Sincerely,

A handwritten signature in black ink, appearing to read "K. Michael Huntman".

For
John R. Baza
Associate Director

pab
Enclosures

cc: Carbon County Assessor

Operator: WhitMar Exploration Company
Well Name & Number 27-4
API Number: 43-007-30940
Lease: Fee

Location: NW SE **Sec.** 27 **T.** 13 South **R.** 11 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: WhitMar Exploration Company		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: 1021 Main, Suite 1100 CITY Houston STATE TX ZIP 77002		7. UNIT or CA AGREEMENT NAME: N/A
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1,438' FSL, 1,412' FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 27 13 11E S		8. WELL NAME and NUMBER: 27-4
PHONE NUMBER: (713) 739-7300		9. API NUMBER: 4300730940
		10. FIELD AND POOL, OR WILDCAT: undesignated
		COUNTY: Carbon
		STATE: UTAH

CONFIDENTIAL

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: <u>Change Surf.Cement</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

WhitMar Exploration Company will replace the submitted and approved surface casing cement program (200 sacks Howco Premium Plus V + CaCl + Flocele) with ready mix. Every attempt will be made to bring the ready-mix to surface.

ASTM TYPE I (Class A)

All other aspects of the drilling plan remain the same at this time.

RECEIVED

JUN 03 2005

DIV. OF OIL, GAS & MINING

ORIGINAL

NAME (PLEASE PRINT) <u>Don Hamilton</u>	TITLE <u>Agent for WhitMar Exploration Company</u>
SIGNATURE <u>Don Hamilton</u>	DATE <u>5/31/2005</u>

(This space for State use only)

COPY SENT TO OPERATOR
DATE: 6-2-05
INITIALS: CHD

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

(5/2000)

(See Instructions on Reverse Side)

DATE: 6/7/05
BY: [Signature]

CONFIDENTIAL

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: WHITMAR EXPLORATION COMPANY

Well Name: 27-4

Api No: 43-007-30940 Lease Type: FEE

Section 27 Township 13S Range 11E County CARBON

Drilling Contractor BEAMAN DRILLING RIG # 22

SPUDDED:

Date 06/06/05

Time 2:00 PM

How DRY

Drilling will Commence: _____

Reported by BOZE STINSON

Telephone # 1-435-630-6344

Date 06/07/2005 Signed CHD

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: WhitMar Exploration CompanyOperator Account Number: N2585Address: 555 17th Street, Suite 880city Denverstate COzip 80202Phone Number: 303-991-9400

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-007-30940	27-4		NWSE	27	13S	11E	Carbon
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	14757	6/6/05		6/9/05		
Comments: <u>FRSD</u>							

CONFIDENTIAL

K

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments:							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments:							

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

Carrie Hanson
 Name (Please Print)

Carrie R. Hanson
 Signature

Sr. Land Administrator
 Title

6-9-05
 Date

(5/2000)

RECEIVED

JUN 09 2005

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL ☐ GAS WELL ☒ OTHER _____

2. NAME OF OPERATOR: WhitMar Exploration Company

3. ADDRESS OF OPERATOR: 555 17th Street, Suite 880
CITY Denver STATE CO ZIP 80202

PHONE NUMBER: 303-991-9400

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1,438' FSL, 1,412' FEL

COUNTY: Carbon

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
NW/4 SE/4 Section 27, T13S, R11E

STATE: UTAH

5. LEASE DESIGNATION AND SERIAL NUMBER:

Private

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

NA

7. UNIT or CA AGREEMENT NAME:

NA

8. WELL NAME and NUMBER:

27-4

9. API NUMBER:

43-007-30940

10. FIELD AND POOL, OR WILDCAT:

Wildcat

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☐ NOTICE OF INTENT
(Submit in Duplicate)

Approximate date work will start:

☒ SUBSEQUENT REPORT
(Submit Original Form Only)

Date of work completion:

☐ ACIDIZE

☐ ALTER CASING

☐ CASING REPAIR

☐ CHANGE TO PREVIOUS PLANS

☐ CHANGE TUBING

☐ CHANGE WELL NAME

☐ CHANGE WELL STATUS

☐ COMMINGLE PRODUCING FORMATIONS

☐ CONVERT WELL TYPE

☐ DEEPEN

☐ FRACTURE TREAT

☐ NEW CONSTRUCTION

☐ OPERATOR CHANGE

☐ PLUG AND ABANDON

☐ PLUG BACK

☐ PRODUCTION (START/RESUME)

☐ RECLAMATION OF WELL SITE

☐ RECOMPLETE - DIFFERENT FORMATION

☐ REPERFORATE CURRENT FORMATION

☐ SIDETRACK TO REPAIR WELL

☐ TEMPORARILY ABANDON

☐ TUBING REPAIR

☐ VENT OR FLARE

☐ WATER DISPOSAL

☐ WATER SHUT-OFF

☐ OTHER: _____

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

See Attached Drilling Report

NAME (PLEASE PRINT)

Carrie Hanson

TITLE

Sr. Land Administrator

SIGNATURE

Carrie Hanson

DATE

6-9-05

(This space for State use only)

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JUN 13 2005

DIV. OF OIL, GAS & MINING

WHITMAR EXPLORATION COMPANY

555 17th Street, Suite 880
Denver, Colorado 80202-3908
Telephone 303-991-9400 ▪ Fax 303-991-9401

East Helper
Fed #27-4
NW SE, Sec 27, T. 13 South, R. 11E
Carbon County, Utah

5/27/2005
5/27/2005

DAILY OPERATIONS

05/25/05 Started access road and creek crossing and construction on location pad, location roughed out and access road and creek crossing accessible for equipment.

06/03/05 Waiting on surface casing rig, raining hard.

06/04/05 Waiting on surface casing rig, raining hard.

06/05/05 Waiting on surface casing rig, raining hard.

06/06/05 Depth: 40ft, Present operation: drilling surface.

7 am- 12 pm move rig to location unload 5 ½ casing on site, rigged up and prepped to drill conductor hole 16", 12 pm – 3 : 30 pm drilled to 40 feet and cleaned hole , 3:30 pm to 7 pm TOOH, run 40' of 12 3/4" conductor pipe, dumped 11 sks of Quick Crete cement, 7 pm – 8 pm Rigged up to drill 12 ¼" surface hole, 8 pm – 7 am no activity.

Daily cost: \$14,110.35, Cumulative Cost: \$33,345.85

06/07/05 Depth: 325', Present Operations: drilling surface hole.

7 am- 8 am grind casing flange down to make bit fit. (new hammer bit) 8 am – 6:30 pm blow down hole & drilled to 325', 6:30 pm – 7 pm blew down hole pulled 60' off bottom SFN. 7 pm – 7 am no activity. (hit water @ 140').

Daily Cost: \$6,241.38, Cumulative Costs:\$20,351.73

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Private
2. NAME OF OPERATOR: WhitMar Exploration Company		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: NA
3. ADDRESS OF OPERATOR: 555 17th Street, Suite 880 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: NA
PHONE NUMBER: 303-991-9400		8. WELL NAME and NUMBER: 27-4
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1,438' FSL, 1,412' FEL		9. API NUMBER: 43007-30940
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NW/4 SE/4 Section 27, T13S, R11E		10. FIELD AND POOL, OR WILDCAT: Wildcat
		COUNTY: Carbon
		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

See Attached Drilling Report

NAME (PLEASE PRINT) <u>Carrie Hanson</u>	TITLE <u>Sr. Land Administrator</u>
SIGNATURE <u>Carrie R. Hanson</u>	DATE <u>6-16-05</u>

(This space for State use only)

RECEIVED

JUN 20 2005

WHITMAR EXPLORATION COMPANY

555 17th Street, Suite 880
Denver, Colorado 80202-3908
Telephone 303-991-9400 • Fax 303-991-9401

East Helper
Fed #27-4
NW SE, Sec 27, T. 13 South, R. 11E
Carbon County, Utah

303-991-9401

DAILY OPERATIONS

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Daily cost: \$14,110.35, Cumulative Cost: \$33,345.85

06/07/05 Depth: 325', Present Operations: drilling surface hole.

7 am- 8 am grind casing flange down to make bit fit. (new hammer bit) 8 am – 6:30 pm blow down hole & drilled to 325', 6:30 pm – 7 pm blew down hole pulled 60' off bottom SFN. 7 pm – 7 am no activity. (hit water @ 140').

Daily Cost: \$6,241.38,

Cumulative Costs:\$20,351.73

Drilling Report – Continued

East Helper
Fed #27-4

06/08/05 Depth: 370', Present Operations: waiting on cement.

7 am – 9:30 am drilled from 325' to 370', 9:30 – 12 pm cleaned hole & tripped out & laid down bit. 12 pm – 3:30 mixed mud to fill hole & rigged up to run 8 5/8 casing 3:30 pm – 7 pm run 8 5/8 casing to 367.69' & filled hole w/ mud. 7 pm – 7 am no activity.

06/09/05 Present Operations: No activity.

7 am – 11 am move rig, 11 am – 12:30 pm waiting on cement, trying to get hole to circulate after 40 bbls mud with Lem broke circulation, 12:30- 1:30 pm pumped 240 sks of Portland Redimix with 12 bbls return, 1:30 pm – 2 pm shut down & moved cement equipment to 27-1 location 2 pm – 7 am no activity.

Cement: Portland Redi mix, **Amount:** 240 sks.

Cement Report: filled hole with mud with cella flake, pumped 10 bbls water spacer & 240 sks of Portland redi-mix @ 15 ppg in 14.9 ppg with 12 bbls of good cement to surface, displaced with 23 bbls water.

06/10/05 Surface Casing set, waiting on drilling rig.

06/11/05 Waiting on drilling rig.

06/12/05 Waiting on drilling rig.

06/13/05 Waiting on Drilling rig.

06/14/05 Waiting on Drilling rig.

06/15/05 Waiting on Drilling rig.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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1. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER

2. NAME OF OPERATOR:

WhitMar Exploration Company

3. ADDRESS OF OPERATOR:

555 17th Street, Suite 880

CITY Denver

STATE CO

ZIP

80202

PHONE NUMBER:

303-991-9400

5. LEASE DESIGNATION AND SERIAL NUMBER:

Private

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

NA

7. UNIT or CA AGREEMENT NAME:

NA

8. WELL NAME and NUMBER:

27-4

9. API NUMBER:

43007-30940

10. FIELD AND POOL, OR WILDCAT:

Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE:

1,438' FSL, 1,412' FEL

COUNTY: Carbon

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

NW/4 SE/4 Section 27, T13S, R11E

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☐ NOTICE OF INTENT
(Submit in Duplicate)

Approximate date work will start:

☒ SUBSEQUENT REPORT
(Submit Original Form Only)

Date of work completion:

☐ ACIDIZE

☐ ALTER CASING

☐ CASING REPAIR

☐ CHANGE TO PREVIOUS PLANS

☐ CHANGE TUBING

☐ CHANGE WELL NAME

☐ CHANGE WELL STATUS

☐ COMMINGLE PRODUCING FORMATIONS

☐ CONVERT WELL TYPE

☐ DEEPEN

☐ FRACTURE TREAT

☐ NEW CONSTRUCTION

☐ OPERATOR CHANGE

☐ PLUG AND ABANDON

☐ PLUG BACK

☐ PRODUCTION (START/RESUME)

☐ RECLAMATION OF WELL SITE

☐ RECOMPLETE - DIFFERENT FORMATION

☐ REPERFORATE CURRENT FORMATION

☐ SIDETRACK TO REPAIR WELL

☐ TEMPORARILY ABANDON

☐ TUBING REPAIR

☐ VENT OR FLARE

☐ WATER DISPOSAL

☐ WATER SHUT-OFF

☐ OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

See Attached Drilling Report

NAME (PLEASE PRINT)

Carrie R. Hanson

TITLE

Sr. Land Administrator

SIGNATURE

Carrie R. Hanson

DATE

6-23-05

This space for State use only)

RECEIVED

JUN 2 / 2005

DIV. OF OIL, GAS & MINING

WHITMAR EXPLORATION COMPANY
555 17th Street, Suite 880
Denver, Colorado 80202-3908
Telephone 303-991-9400 ▪ Fax 303-991-9401

East Helper
Fed #27-4
NW SE, Sec 27, T. 13 South, R. 11E
Carbon County, Utah

DAILY OPERATIONS

05/25/05 Started access road and creek crossing and construction on location pad, location roughed out and access road and creek crossing accessible for equipment.

06/03/05 Waiting on surface casing rig, raining hard.

06/04/05 Waiting on surface casing rig, raining hard.

06/05/05 Waiting on surface casing rig, raining hard.

06/06/05 Depth: 40ft, Present operation: drilling surface.

7 am- 12 pm move rig to location unload 5 ½ casing on site, rigged up and prepped to drill conductor hole 16", 12 pm – 3 : 30 pm drilled to 40 feet and cleaned hole , 3:30 pm to 7 pm TOOH, run 40' of 12 3/4" conductor pipe, dumped 11 sks of Quick Crete cement, 7 pm – 8 pm Rigged up to drill 12 ¼" surface hole, 8 pm – 7 am no activity.

Daily cost: \$14,110.35, Cumulative Cost: \$33,345.85

06/07/05 Depth: 325', Present Operations: drilling surface hole.

7 am- 8 am grind casing flange down to make bit fit. (new hammer bit) 8 am – 6:30 pm blow down hole & drilled to 325', 6:30 pm – 7 pm blew down hole pulled 60' off bottom SFN. 7 pm – 7 am no activity. (hit water @ 140').

Daily Cost: \$6,241.38,

Cumulative Costs:\$20,351.73

Drilling Report – Continued

East Helper
Fed #27-4

06/08/05 Depth: 370', Present Operations: waiting on cement.

7 am – 9:30 am drilled from 325' to 370', 9:30 – 12 pm cleaned hole & tripped out & laid down bit. 12 pm – 3:30 mixed mud to fill hole & rigged up to run 8 5/8 casing 3:30 pm – 7 pm run 8 5/8 casing to 367.69' & filled hole w/ mud. 7 pm – 7 am no activity.

06/09/05 Present Operations: No activity.

7 am – 11 am move rig, 11 am – 12:30 pm waiting on cement, trying to get hole to circulate after 40 bbls mud with Lem broke circulation, 12:30- 1:30 pm pumped 240 sks of Portland Redimix with 12 bbls return, 1:30 pm – 2 pm shut down & moved cement equipment to 27-1 location 2 pm – 7 am no activity.

Cement: Portland Redi mix, **Amount:** 240 sks.

Cement Report: filled hole with mud with cella flake, pumped 10 bbls water spacer & 240 sks of Portland redi-mix @ 15 ppg in 14.9 ppg with 12 bbls of good cement to surface, displaced with 23 bbls water.

06/10/05 Surface Casing set, waiting on drilling rig.

06/11/05 Waiting on drilling rig.

06/12/05 Waiting on drilling rig.

06/13/05 Waiting on Drilling rig.

06/14/05 Waiting on Drilling rig.

06/15/05 Waiting on Drilling rig.

06/16/05 Waiting on drilling rig.

Drilling Report – Continued

East Helper
Fed #27-4

- 06/17-19/05 Bringing in rock to put on liner & worked on creek crossing, cut road down to help rig to make dig, dozer broke down so not much progress on location, rig will move to 27-1 location.
- 06/20/05 Completing liner and working on creek crossing.
- 06/21/05 Completing liner and working on creek crossing.
- 06/22/05 Construction continues, should finish up on Thursday (6/23).

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER

2. NAME OF OPERATOR:

WhitMar Exploration Company

3. ADDRESS OF OPERATOR:

555 17th Street, Suite 880

CITY Denver

STATE CO

ZIP

80202

PHONE NUMBER:

303-991-9400

5. LEASE DESIGNATION AND SERIAL NUMBER:

Private

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

NA

7. UNIT or CA AGREEMENT NAME:

NA

8. WELL NAME and NUMBER:

27-4

9. API NUMBER:

43-007-30940

10. FIELD AND POOL, OR WILDCAT:

Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1,438' FSL, 1,412' FEL

COUNTY: Carbon

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

NW/4 SE/4 Section 27, T13S, R11E

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION



NOTICE OF INTENT
(Submit in Duplicate)

Approximate date work will start:



SUBSEQUENT REPORT
(Submit Original Form Only)

Date of work completion:



ACIDIZE



ALTER CASING



CASING REPAIR



CHANGE TO PREVIOUS PLANS



CHANGE TUBING



CHANGE WELL NAME



CHANGE WELL STATUS



COMMINGLE PRODUCING FORMATIONS



CONVERT WELL TYPE



DEEPEN



FRACTURE TREAT



NEW CONSTRUCTION



OPERATOR CHANGE



PLUG AND ABANDON



PLUG BACK



PRODUCTION (START/RESUME)



RECLAMATION OF WELL SITE



RECOMPLETE - DIFFERENT FORMATION



REPERFORATE CURRENT FORMATION



SIDETRACK TO REPAIR WELL



TEMPORARILY ABANDON



TUBING REPAIR



VENT OR FLARE



WATER DISPOSAL



WATER SHUT-OFF



OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

See Attached Drilling Report

NAME (PLEASE PRINT)

Carrie Hanson

TITLE

Sr. Land Administrator

SIGNATURE

Carrie Hanson

DATE

7-1-05

This space for State use only)

RECEIVED

JUL 05 2005

WHITMAR EXPLORATION COMPANY

555 17th Street, Suite 880

Denver, Colorado 80202-3908

Telephone 303-991-9400 ▪ Fax 303-991-9401

CONFIDENTIAL

East Helper

Fed #27-4

NW SE, Sec 27, T. 13 South, R. 11E

Carbon County, Utah

DAILY OPERATIONS

- 05/25/05 Started access road and creek crossing and construction on location pad, location roughed out and access road and creek crossing accessible for equipment.
- 06/03/05 Waiting on surface casing rig, raining hard.
- 06/04/05 Waiting on surface casing rig, raining hard.
- 06/05/05 Waiting on surface casing rig, raining hard.
- 06/06/05 Depth: 40ft, Present operation: drilling surface.
- 7 am- 12 pm move rig to location unload 5 ½ casing on site, rigged up and prepped to drill conductor hole 16", 12 pm – 3 : 30 pm drilled to 40 feet and cleaned hole , 3:30 pm to 7 pm TOOH, run 40' of 12 3/4"conductor pipe, dumped 11 sks of Quick Crete cement, 7 pm – 8 pm Rigged up to drill 12 ¼" surface hole, 8 pm – 7 am no activity.
- 06/07/05 Depth: 325', Present Operations: drilling surface hole.
- 7 am- 8 am grind casing flange down to make bit fit. (new hammer bit) 8 am – 6:30 pm blow down hole & drilled to 325', 6:30 pm – 7 pm blew down hole pulled 60' off bottom SFN. 7 pm – 7 am no activity. (hit water @ 140').

Drilling Report – Continued

East Helper
Fed #27-4

CONFIDENTIAL

06/08/05 Depth: 370', Present Operations: waiting on cement.

7 am – 9:30 am drilled from 325' to 370', 9:30 – 12 pm cleaned hole & tripped out & laid down bit. 12 pm – 3:30 mixed mud to fill hole & rigged up to run 8 5/8 casing
3:30 pm – 7 pm run 8 5/8 casing to 367.69' & filled hole w/ mud. 7 pm – 7 am no activity.

06/09/05 Present Operations: No activity.

7 am – 11 am move rig, 11 am – 12:30 pm waiting on cement, trying to get hole to circulate after 40 bbls mud with Lem broke circulation, 12:30- 1:30 pm pumped 240 sks of Portland Redimix with 12 bbls return, 1:30 pm – 2 pm shut down & moved cement equipment to 27-1 location 2 pm – 7 am no activity.

Cement: Portland Redi mix, **Amount:** 240 sks.

Cement Report: filled hole with mud with cella flake, pumped 10 bbls water spacer & 240 sks of Portland redi-mix @ 15 ppg in 14.9 ppg with 12 bbls of good cement to surface, displaced with 23 bbls water.

06/10/05 Surface Casing set, waiting on drilling rig.

06/11/05 Waiting on drilling rig.

06/12/05 Waiting on drilling rig.

06/13/05 Waiting on Drilling rig.

06/14/05 Waiting on Drilling rig.

06/15/05 Waiting on Drilling rig.

06/16/05 Waiting on drilling rig.

06/17-19/05 Bringing in rock to put on liner & worked on creek crossing, cut road down to help rig to make dig, dozer broke down so not much progress on location, rig will move to 27-1 location.

06/20/05 Completing liner and working on creek crossing.

06/21/05 Completing liner and working on creek crossing.

Drilling Report – Continued

East Helper
Fed #27-4

CC: PUEBLO

06/22/05 Construction continues, should finish up on Thursday (6/23).
06/23/05 Location prepared waiting on rig.
06/24-25/05 Waiting on rig.
06/26/05 Waiting on rig.
06/27/05 Present Operations: Maintenance
7 am – 7 am move rig & set up.
06/28/05 Present Operations: Rig Maintenance
7 am – 2 am Repairs & Maintenance, 2 pm – 4 pm Nipple up BOP.
06/29/05 Depth: 370' Present Operations: waiting on rotary table
7am-7: 30am, start rig & prep for bop test, 7:30am-9: 30am, test bop, 9:30am-7pm
service & repairs on rig, 7pm-7am no activity.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL ☐ GAS WELL ☒ OTHER _____

2. NAME OF OPERATOR: WhitMar Exploration Company

3. ADDRESS OF OPERATOR: 555 17th Street, Suite 880
CITY Denver STATE CO ZIP 80202 PHONE NUMBER: 303-991-9400

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1,438' FSL, 1,412' FEL

COUNTY: Carbon

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

NW/4 SE/4 Section 27, T13S, R11E

STATE: UTAH

5. LEASE DESIGNATION AND SERIAL NUMBER:

Private

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

NA

7. UNIT or CA AGREEMENT NAME:

NA

8. WELL NAME and NUMBER:

27-4

9. API NUMBER:

43-007-30940

10. FIELD AND POOL, OR WILDCAT:

Wildcat

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☐ NOTICE OF INTENT
(Submit in Duplicate)

Approximate date work will start:

☒ SUBSEQUENT REPORT
(Submit Original Form Only)

Date of work completion:

☐ ACIDIZE

☐ ALTER CASING

☐ CASING REPAIR

☐ CHANGE TO PREVIOUS PLANS

☐ CHANGE TUBING

☐ CHANGE WELL NAME

☐ CHANGE WELL STATUS

☐ COMMINGLE PRODUCING FORMATIONS

☐ CONVERT WELL TYPE

☐ DEEPEN

☐ FRACTURE TREAT

☐ NEW CONSTRUCTION

☐ OPERATOR CHANGE

☐ PLUG AND ABANDON

☐ PLUG BACK

☐ PRODUCTION (START/RESUME)

☐ RECLAMATION OF WELL SITE

☐ RECOMPLETE - DIFFERENT FORMATION

☐ REPERFORATE CURRENT FORMATION

☐ SIDETRACK TO REPAIR WELL

☐ TEMPORARILY ABANDON

☐ TUBING REPAIR

☐ VENT OR FLARE

☐ WATER DISPOSAL

☐ WATER SHUT-OFF

☐ OTHER: _____

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

See Attached Drilling Report

NAME (PLEASE PRINT) Carrie R. Hanson TITLE Sr. Land Admin
SIGNATURE Carrie R. Hanson DATE 7-8-05

space for State use only)

RECEIVED

JUL 13 2005

WHITMAR EXPLORATION COMPANY

555 17th Street, Suite 880

Denver, Colorado 80202-3908

Telephone 303-991-9400 ▪ Fax 303-991-9401

East Helper

Fed #27-4

NW SE, Sec 27, T. 13 South, R. 11E

Carbon County, Utah

DAILY OPERATIONS

05/25/05 Started access road and creek crossing and construction on location pad, location roughed out and access road and creek crossing accessible for equipment.

06/03/05 Waiting on surface caring rig, raining hard.

06/04/05 Waiting on surface caring rig, raining hard.

06/05/05 Waiting on surface caring rig, raining hard.

06/06/05 Depth: 40ft, Present operation: drilling surface.

7 am- 12 pm move rig to location unload 5 ½ casing on site, rigged up and prepped to drill conductor hole 16", 12 pm – 3 : 30 pm drilled to 40 feet and cleaned hole , 3:30 pm to 7 pm TOO, run 40' of 12 3/4" conductor pipe, dumped 11 sks of Quick Crete cement, 7 pm – 8 pm Rigged up to drill 12 1/4" surface hole, 8 pm – 7 am no activity.

06/07/05 Depth: 325', Present Operations: drilling surface hole.

7 am- 8 am grind casing flange down to make bit fit. (new hammer bit) 8 am – 6:30 pm blow down hole & drilled to 325', 6:30 pm – 7 pm blew down hole pulled 60' off bottom SFN. 7 pm – 7 am no activity. (hit water @ 140').

Drilling Report – Continued

East Helper
Fed #27-4

06/08/05 Depth: 370', Present Operations: waiting on cement.

7 am – 9:30 am drilled from 325' to 370', 9:30 – 12 pm cleaned hole & tripped out & laid down bit. 12 pm – 3:30 mixed mud to fill hole & rigged up to run 8 5/8 casing
3:30 pm – 7 pm run 8 5/8 casing to 367.69' & filled hole w/ mud. 7 pm – 7 am no activity.

06/09/05 Present Operations: No activity.

7 am – 11 am move rig, 11 am – 12:30 pm waiting on cement, trying to get hole to circulate after 40 bbls mud with Lem broke circulation, 12:30- 1:30 pm pumped 240 sks of Portland Redimix with 12 bbls return, 1:30 pm – 2 pm shut down & moved cement equipment to 27-1 location 2 pm – 7 am no activity.

Cement: Portland Redi mix, **Amount:** 240 sks.

Cement Report: filled hole with mud with cella flake, pumped 10 bbls water spacer & 240 sks of Portland redi-mix @ 15 ppg in 14.9 ppg with 12 bbls of good cement to surface, displaced with 23 bbls water.

06/10/05 Surface Casing set, waiting on drilling rig.

06/11/05 Waiting on drilling rig.

06/12/05 Waiting on drilling rig.

06/13/05 Waiting on Drilling rig.

06/14/05 Waiting on Drilling rig.

06/15/05 Waiting on Drilling rig.

06/16/05 Waiting on drilling rig.

06/17-19/05 Bringing in rock to put on liner & worked on creek crossing, cut road down to help rig to make dig, dozer broke down so not much progress on location, rig will move to 27-1 location.

06/20/05 Completing liner and working on creek crossing.

06/21/05 Completing liner and working on creek crossing.

Drilling Report – Continued

East Helper
Fed #27-4

06/22/05 Construction continues, should finish up on Thursday (6/23).

06/23/05 Location prepared waiting on rig.

06/24-25/05 Waiting on rig.

06/26/05 Waiting on rig.

06/27/05 Present Operations: Maintenance
7 am – 7 am move rig & set up.

06/28/05 Present Operations: Rig Maintenance
7 am – 2 am Repairs & Maintenance, 2 pm – 4 pm Nipple up BOP.

06/29/05 Depth: 370' Present Operations: waiting on rotary table
7am-7: 30am, start rig & prep for bop test, 7:30am-9: 30am, test bop, 9:30am-7pm
service & repairs on rig, 7pm-7am no activity.

06/30/05 Waiting on rotary table.

07/01-03/05 Waiting on rotary table.

07/05/05 Depth: 1296' Present Operations: drilling
7 am – 10:00 am waiting on crew to arrive, 10:30 am – 1:30 pm level rig & install
rotary table, 1:30 pm – 5 pm TIH with bit & collar tag cement @ 300', 5 pm – 6 pm
drilled out cement 6 pm – 8:30 pm drilled to 500', 8:30 pm – 9 pm run survey @ ½
degree out, 9 pm – 3:30 am drilled to 1000' 3:30 am – 4 am run survey @ 1 degree out,
4 am – 7 am drilled to 1296'.

07/06/05 Waiting on orders.

07/07/05 Depth: 2600' Present Operations: Drilling
7 am – 9:30 am drilled to 1544', 9:30 am – 10 am survey 2 ½ degrees out 10 am – 5 pm
drilled to 2042', 5:00pm – 5:30 pm survey @ 4 degrees out, 5:30 pm – 5:30 am drilled
to 2500' weight on bit 24000 #'s, 5:30 am – 6 am survey @ 3 ¾ degrees out, 6 am – 7
am drilled to 2600'.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER ☐

2. NAME OF OPERATOR:

WhitMar Exploration Company

3. ADDRESS OF OPERATOR:

555 17th Street, Suite 880

CITY Denver

STATE CO

ZIP 80202

PHONE NUMBER:

303-991-9400

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1,438' FSL, 1,412' FEL

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

NW/4 SE/4 Section 27, T13S, R11E

5. LEASE DESIGNATION AND SERIAL NUMBER:

Private

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

NA

7. UNIT or CA AGREEMENT NAME:

NA

8. WELL NAME and NUMBER:

27-4

9. API NUMBER:

43-007-30940

10. FIELD AND POOL, OR WILDCAT:

Wildcat

COUNTY: Carbon

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☐ NOTICE OF INTENT
(Submit in Duplicate)

Approximate date work will start:

☒ SUBSEQUENT REPORT
(Submit Original Form Only)

Date of work completion:

☐ ACIDIZE

☐ ALTER CASING

☐ CASING REPAIR

☐ CHANGE TO PREVIOUS PLANS

☐ CHANGE TUBING

☐ CHANGE WELL NAME

☒ CHANGE WELL STATUS

☐ COMMINGLE PRODUCING FORMATIONS

☐ CONVERT WELL TYPE

☐ DEEPEN

☐ FRACTURE TREAT

☐ NEW CONSTRUCTION

☐ OPERATOR CHANGE

☐ PLUG AND ABANDON

☐ PLUG BACK

☐ PRODUCTION (START/RESUME)

☐ RECLAMATION OF WELL SITE

☐ RECOMPLETE - DIFFERENT FORMATION

☐ REPERFORATE CURRENT FORMATION

☐ SIDETRACK TO REPAIR WELL

☐ TEMPORARILY ABANDON

☐ TUBING REPAIR

☐ VENT OR FLARE

☐ WATER DISPOSAL

☐ WATER SHUT-OFF

☐ OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

NO ACTIVITY.

COMPLETION RIG SCHEDULED TO BE AT LOCATION IN OCTOBER 2005.

NAME (PLEASE PRINT) STACEY L. BERKOWITZ

TITLE ENGINEERING ADMIN.

SIGNATURE

DATE 7-15-05

(This space for State use only)

RECEIVED

JUL 18 2005

DIV. OF OIL, GAS & MINING

(See Instructions on Reverse Side)

WHITMAR EXPLORATION COMPANY

555 17th Street, Suite 880

Denver, Colorado 80202-3908

Telephone 303-991-9400 ▪ Fax 303-991-9401

CONFIDENTIAL

East Helper

Fed #27-4

NW SE, Sec 27, T. 13 South, R. 11E

Carbon County, Utah

DAILY OPERATIONS

- 05/25/05 Started access road and creek crossing and construction on location pad, location roughed out and access road and creek crossing accessible for equipment.
- 06/03/05 Waiting on surface casing rig, raining hard.
- 06/04/05 Waiting on surface casing rig, raining hard.
- 06/05/05 Waiting on surface casing rig, raining hard.
- 06/06/05 Depth: 40ft, Present operation: drilling surface.
- 7 am- 12 pm move rig to location unload 5 ½ casing on site, rigged up and prepped to drill conductor hole 16", 12 pm – 3 : 30 pm drilled to 40 feet and cleaned hole , 3:30 pm to 7 pm TOOH, run 40' of 12 3/4"conductor pipe, dumped 11 sks of Quick Crete cement, 7 pm – 8 pm Rigged up to drill 12 ¼" surface hole, 8 pm – 7 am no activity.
- 06/07/05 Depth: 325', Present Operations: drilling surface hole.
- 7 am- 8 am grind casing flange down to make bit fit. (new hammer bit) 8 am – 6:30 pm blow down hole & drilled to 325', 6:30 pm – 7 pm blew down hole pulled 60' off bottom SFN. 7 pm – 7 am no activity. (hit water @ 140').

Drilling Report – Continued

East Helper
Fed #27-4

06/08/05 Depth: 370', Present Operations: waiting on cement.

7 am – 9:30 am drilled from 325' to 370', 9:30 – 12 pm cleaned hole & tripped out & laid down bit. 12 pm – 3:30 mixed mud to fill hole & rigged up to run 8 5/8 casing
3:30 pm – 7 pm run 8 5/8 casing to 367.69' & filled hole w/ mud. 7 pm – 7 am no activity.

06/09/05 Present Operations: No activity.

7 am – 11 am move rig, 11 am – 12:30 pm waiting on cement, trying to get hole to circulate after 40 bbls mud with Lem broke circulation, 12:30- 1:30 pm pumped 240 sks of Portland Redimix with 12 bbls return, 1:30 pm – 2 pm shut down & moved cement equipment to 27-1 location 2 pm – 7 am no activity.

Cement: Portland Redi mix, **Amount:** 240 sks.

Cement Report: filled hole with mud with cella flake, pumped 10 bbls water spacer & 240 sks of Portland redi-mix @ 15 ppg in 14.9 ppg with 12 bbls of good cement to surface, displaced with 23 bbls water.

06/10/05 Surface Casing set, waiting on drilling rig.

06/11/05 Waiting on drilling rig.

06/12/05 Waiting on drilling rig.

06/13/05 Waiting on Drilling rig.

06/14/05 Waiting on Drilling rig.

06/15/05 Waiting on Drilling rig.

06/16/05 Waiting on drilling rig.

06/17-19/05 Bringing in rock to put on liner & worked on creek crossing, cut road down to help rig to make dig, dozer broke down so not much progress on location, rig will move to 27-1 location.

06/20/05 Completing liner and working on creek crossing.

06/21/05 Completing liner and working on creek crossing.

Drilling Report – Continued

East Helper
Fed #27-4

06/22/05 Construction continues, should finish up on Thursday (6/23).

06/23/05 Location prepared waiting on rig.

06/24-25/05 Waiting on rig.

06/26/05 Waiting on rig.

06/27/05 Present Operations: Maintenance
7 am – 7 am move rig & set up.

06/28/05 Present Operations: Rig Maintenance
7 am – 2 am Repairs & Maintenance, 2 pm – 4 pm Nipple up BOP.

06/29/05 Depth: 370' Present Operations: waiting on rotary table
7am-7: 30am, start rig & prep for bop test, 7:30am-9: 30am, test bop, 9:30am-7pm
service & repairs on rig, 7pm-7am no activity.

06/30/05 Waiting on rotary table.

07/01-03/05 Waiting on rotary table.

07/05/05 Depth: 1296' Present Operations: drilling

7 am – 10:00 am waiting on crew to arrive, 10:30 am – 1:30 pm level rig & install
rotary table, 1:30 pm – 5 pm TIH with bit & collar tag cement @ 300', 5 pm – 6 pm
drilled out cement 6 pm – 8:30 pm drilled to 500', 8:30 pm – 9 pm run survey @ ½
degree out, 9 pm – 3:30 am drilled to 1000' 3:30 am – 4 am run survey @ 1 degree out,
4 am – 7 am drilled to 1296'.

07/06/05 Waiting on orders.

07/07/05 Depth: 2600' Present Operations: Drilling

7 am – 9:30 am drilled to 1544', 9:30 am – 10 am survey 2 ½ degrees out 10 am – 5 pm
drilled to 2042', 5:00pm – 5:30 pm survey @ 4 degrees out, 5:30 pm – 5:30 am drilled
to 2500' weight on bit 24000 #'s, 5:30 am – 6 am survey @ 3 ¾ degrees out, 6 am – 7
am drilled to 2600'.

Drilling Report – Continued

East Helper
Fed #27-4

07/08-09/05 Depth: 3311'

Present Operations: cementing

7 am – 9 am drilled to 3311', 9 am – 9:30 am circulated hole clean, 9:30 am – 10 am stood back 500' pipe, 10 am – 12:30 pm mixed mud, 12:30 pm – 2:30 pm TIH, washed thru bridge @ 3171' 2:30 pm – 3:30 pm circulated hole 1 hr, 3:30 pm – 4:30 pm survey 3250' @ 3 ¼ degrees out, 4:30 pm – 7 pm TOOH laying down, 7 pm – 9:30 pm finished TOOH, 9:30 pm – 12 am logged well, 12 am – 1 am rigged up new tongs, 1 am – 4:30 am TIH, with 3279.69' of 5 ½ casing, 4:30 am – 6:30 am rigged up cementers and washed up 8' of fill, 6:30 am – 7 am cementing well

Cement: lead pbm lite/tail premium II. **Cement Amount:** lead 190 sks, tail 100 sks.

Cement Report: washed down 8' fill, hooked BJ and held safety meeting, pressure tested lines to 3500 #'s & safety released to 3000 #'s, pumped 10 bbl gel sweep, with 25 #'s of flocele and 10 bbl water spacer 190 sks of CBM lite cement @ 10.9 ppg 100 sks of tail cement, no cement to surface, good returns through out job gel sweep to surface

07/10/05 Depth: 3311'

Present Operations: release rig

7 am -8 am finished cement job & rig down BJ, 8 am – 11 am prep to move & waiting on Cameron to set slips, 11 am – 11:30 am set slips & cut off casing & released rig @ 11:30 am

07/11/05 Waiting on completion.

07/12/05 Waiting on completion.

07/13/05 Waiting on completion, drop from report until further information becomes Available.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

AMENDED REPORT ☐ FORM 8
(highlight changes)

5. LEASE DESIGNATION AND SERIAL NUMBER:
FEE

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
n/a

7. UNIT or CA AGREEMENT NAME
n/a

8. WELL NAME and NUMBER:
27-4

9. API NUMBER:
4300730938 30940

10. FIELD AND POOL, OR WILDCAT
undesignated

11. QTR/QTR, SECTION, TOWNSHIP, RANGE,
MERIDIAN:
NWSE 27 13 11E S

12. COUNTY
Carbon

13. STATE
UTAH

1a. TYPE OF WELL: OIL WELL ☐ GAS WELL ☒ DRY ☐ OTHER

b. TYPE OF WORK: NEW WELL ☒ HORIZ. LATS. ☐ DEEP-EN ☐ RE-ENTRY ☐ DIFF. RESVR. ☐ OTHER

2. NAME OF OPERATOR:
WhitMar Exploration Company

3. ADDRESS OF OPERATOR:
555 17th Street, Ste. 880 CITY Denver STATE CO ZIP 80202

PHONE NUMBER:
(303) 991-9400

4. LOCATION OF WELL (FOOTAGES)

AT SURFACE: 1438' FSL & 1412' FEL

AT TOP PRODUCING INTERVAL REPORTED BELOW: same

AT TOTAL DEPTH: same

14. DATE SPUDDED: 6/6/2005

15. DATE T.D. REACHED: 7/8/2005

16. DATE COMPLETED: 12/19/2005

ABANDONED ☐ READY TO PRODUCE ☒

17. ELEVATIONS (DF, RKB, RT, GL):
GL: 6238

18. TOTAL DEPTH: MD 3,311
TVD 3,311

19. PLUG BACK T.D.: MD
TVD

20. IF MULTIPLE COMPLETIONS, HOW MANY? *

21. DEPTH BRIDGE MD
PLUG SET: TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)

Density Neutron & Dual Induction

23.
WAS WELL CORED? NO ☒ YES ☐ (Submit analysis)
WAS DST RUN? NO ☒ YES ☐ (Submit report)
DIRECTIONAL SURVEY? NO ☒ YES ☐ (Submit copy)

24. CASING AND LINER RECORD (Report all strings set in well)

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
12 1/4	8 5/8	24	0	350	350			0	0
7 7/8	5 1/2	15.5			3,211				

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 7/8								

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
(A) Ferron					2,898 2,918	20	80	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(B) Ferron					2,884 2,888	4	16	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(C) Ferron					2,864 2,874	10	40	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(D) Ferron					2,992 2,995		40	Open <input type="checkbox"/> Squeezed <input type="checkbox"/>

27. PERFORATION RECORD

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL

MAR 24 2006

29. ENCLOSED ATTACHMENTS:

☒ ELECTRICAL/MECHANICAL LOGS ☐ GEOLOGIC REPORT ☐ DST REPORT ☐ DIRECTIONAL SURVEY
☐ SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION ☐ CORE ANALYSIS ☐ OTHER: _____

30. WELL STATUS:

Producing

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

CONFIDENTIAL

DATE FIRST PRODUCED: 3/1/2006	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL: 0	GAS – MCF: 0	WATER – BBL: 70	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS:

INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS:

INTERVAL C (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS:

INTERVAL D (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS:

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

Used for fuel and sold

33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)

35. ADDITIONAL REMARKS (Include plugging procedure)

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) Heather Mitchell

TITLE Administrative Assistant

SIGNATURE



DATE 3/22/2006

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

WHITMAR EXPLORATION COMPANY

555 17th Street, Suite 880

Denver, Colorado 80202-3908

Telephone 303-991-9400 ▪ Fax 303-991-9401

CONFIDENTIAL

East Helper

Fed #27-4

NW SE, Sec 27, T. 13 South, R. 11E

Carbon County, Utah

DAILY OPERATIONS

05/25/05 Started access road and creek crossing and construction on location pad, location roughed out and access road and creek crossing accessible for equipment.

06/03/05 Waiting on surface casing rig, raining hard.

06/04/05 Waiting on surface casing rig, raining hard.

06/05/05 Waiting on surface casing rig, raining hard.

06/06/05 Depth: 40ft, Present operation: drilling surface.

7 am- 12 pm move rig to location unload 5 ½ casing on site, rigged up and prepped to drill conductor hole 16", 12 pm – 3 : 30 pm drilled to 40 feet and cleaned hole , 3:30 pm to 7 pm TOOH, run 40' of 12 3/4" conductor pipe, dumped 11 sks of Quick Crete cement, 7 pm – 8 pm Rigged up to drill 12 ¼" surface hole, 8 pm – 7 am no activity.

06/07/05 Depth: 325', Present Operations: drilling surface hole.

7 am- 8 am grind casing flange down to make bit fit. (new hammer bit) 8 am – 6:30 pm blow down hole & drilled to 325', 6:30 pm – 7 pm blew down hole pulled 60' off bottom SFN. 7 pm – 7 am no activity. (hit water @ 140').

MAR 24 2006

Drilling Report – Continued

East Helper
Fed #27-4

06/08/05 Depth: 370', Present Operations: waiting on cement.

7 am – 9:30 am drilled from 325' to 370', 9:30 – 12 pm cleaned hole & tripped out & laid down bit. 12 pm – 3:30 mixed mud to fill hole & rigged up to run 8 5/8 casing
3:30 pm – 7 pm run 8 5/8 casing to 367.69' & filled hole w/ mud. 7 pm – 7 am no activity.

06/09/05 Present Operations: No activity.

7 am – 11 am move rig, 11 am – 12:30 pm waiting on cement, trying to get hole to circulate after 40 bbls mud with Lem broke circulation, 12:30- 1:30 pm pumped 240 sks of Portland Redimix with 12 bbls return, 1:30 pm – 2 pm shut down & moved cement equipment to 27-1 location 2 pm – 7 am no activity.

Cement: Portland Redi mix, **Amount:** 240 sks.

Cement Report: filled hole with mud with cella flake, pumped 10 bbls water spacer & 240 sks of Portland redi-mix @ 15 ppg in 14.9 ppg with 12 bbls of good cement to surface, displaced with 23 bbls water.

06/10/05 Surface Casing set, waiting on drilling rig.

06/11/05 Waiting on drilling rig.

06/12/05 Waiting on drilling rig.

06/13/05 Waiting on Drilling rig.

06/14/05 Waiting on Drilling rig.

06/15/05 Waiting on Drilling rig.

06/16/05 Waiting on drilling rig.

06/17-19/05 Bringing in rock to put on liner & worked on creek crossing, cut road down to help rig to make dig, dozer broke down so not much progress on location, rig will move to 27-1 location.

06/20/05 Completing liner and working on creek crossing.

06/21/05 Completing liner and working on creek crossing.

Drilling Report – Continued

East Helper
Fed #27-4

06/22/05 Construction continues, should finish up on Thursday (6/23).

06/23/05 Location prepared waiting on rig.

06/24-25/05 Waiting on rig.

06/26/05 Waiting on rig.

06/27/05 Present Operations: Maintenance
7 am – 7 am move rig & set up.

06/28/05 Present Operations: Rig Maintenance
7 am – 2 am Repairs & Maintenance, 2 pm – 4 pm Nipple up BOP.

06/29/05 Depth: 370' Present Operations: waiting on rotary table
7am-7: 30am, start rig & prep for bop test, 7:30am-9: 30am, test bop, 9:30am-7pm
service & repairs on rig, 7pm-7am no activity.

06/30/05 Waiting on rotary table.

07/01-03/05 Waiting on rotary table.

07/05/05 Depth: 1296' Present Operations: drilling

7 am – 10:00 am waiting on crew to arrive, 10:30 am – 1:30 pm level rig & install
rotary table, 1:30 pm – 5 pm TIH with bit & collar tag cement @ 300', 5 pm – 6 pm
drilled out cement 6 pm – 8:30 pm drilled to 500', 8:30 pm – 9 pm run survey @ ½
degree out, 9 pm – 3:30 am drilled to 1000' 3:30 am – 4 am run survey @ 1 degree out,
4 am – 7 am drilled to 1296'.

07/06/05 Waiting on orders.

07/07/05 Depth: 2600' Present Operations: Drilling

7 am – 9:30 am drilled to 1544', 9:30 am – 10 am survey 2 ½ degrees out 10 am – 5 pm
drilled to 2042', 5:00pm – 5:30 pm survey @ 4 degrees out, 5:30 pm – 5:30 am drilled
to 2500' weight on bit 24000 #'s, 5:30 am – 6 am survey @ 3 ¾ degrees out, 6 am – 7
am drilled to 2600'.

Drilling Report – Continued

East Helper
Fed #27-4

07/08-09/05 Depth: 3311'

Present Operations: cementing

7 am – 9 am drilled to 3311', 9 am – 9:30 am circulated hole clean, 9:30 am – 10 am stood back 500' pipe, 10 am – 12:30 pm mixed mud, 12:30 pm – 2:30 pm TIH, washed thru bridge @ 3171' 2:30 pm – 3:30 pm circulated hole 1 hr, 3:30 pm – 4:30 pm survey 3250' @ 3 ¼ degrees out, 4:30 pm – 7 pm TOOH laying down, 7 pm – 9:30 pm finished TOOH, 9:30 pm – 12 am logged well, 12 am – 1 am rigged up new tongs, 1 am – 4:30 am TIH, with 3279.69' of 5 ½ casing, 4:30 am – 6:30 am rigged up cementers and washed up 8' of fill, 6:30 am – 7 am cementing well

Cement: lead pbm lite/tail premium II. **Cement Amount:** lead 190 sks, tail 100 sks.

Cement Report: washed down 8' fill, hooked BJ and held safety meeting, pressure tested lines to 3500 #'s & safety released to 3000 #'s, pumped 10 bbl gel sweep, with 25 #'s of flocele and 10 bbl water spacer 190 sks of CBM lite cement @ 10.9 ppg 100 sks of tail cement, no cement to surface, good returns through out job gel sweep to surface

07/10/05 Depth: 3311'

Present Operations: release rig

7 am -8 am finished cement job & rig down BJ, 8 am – 11 am prep to move & waiting on Cameron to set slips, 11 am – 11:30 am set slips & cut off casing & released rig @ 11:30 am

07/11/05 Waiting on completion.

07/12/05 Waiting on completion.

07/13/05 Waiting on completion, drop from report until further information becomes Available.

12/15/05 2 pm- 3 pm: Rig up
3 pm – 4 pm: Nipple up BOP
4 pm- 5:30 pm: TIH tallying pipe, 61 joints
5:30 pm – 6 pm: SDFN

Drilling Report – Continued

East Helper
Fed #27-4

12/16/05 7 am – 8 am: arrive on location started up equip.
8 am – 9 am: Rig up air frame unit and break circulation.
9 am- 10 am: Tag sand bridge @ 2655, Washed out
10 am- 11 am: Bagged up @ 2875 sand
11 am – 4 pm: Drilled out plug and chase to 3070, cleaned out and drilled to 3275 in rat hole.
4 pm- 4:30 pm: Circulated hole clean
4:30 pm – 5:00 pm: Laid down power swivel and rig down foam unit.
5:00 pm – 5:30 pm: TOOH with 10 joints and SDFN

12/17/05 7 am – 8 am: started up equip.
8 am – 9:30 am: TOOH laying down
9:30 – 11:30 pm: Picked up pump and BHA and TIH
11:30 pm – 12:30 pm: Nipple down BOP, nipple up wellhead
12:30 pm – 1:30 pm: Changed over to run rotor and rods
1:30 pm – 4 pm: TIH with Rotar and rods
4 pm – 5:30 pm: spaced out and hung off well

12/18/05 7 am – 8 am: started up equip.
8 am – 9:30 am: Rig down and move

12/21/05 Wilson Supply spaced out PCP pumps and tested Units.
Nelco continued flow line and separated hook up.
Well to be completed in 15 days.
Consider this as final report.

Drilling Report – Continued

East Helper
Fed #27-4

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS


Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <u>CONFIDENTIAL</u>		5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
2. NAME OF OPERATOR: WhitMar Exploration Company		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: 555 17th Street, Suite 880 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: N/A
PHONE NUMBER: (303) 991-9400		8. WELL NAME and NUMBER: 27-4
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1438' FSL & 1412' FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 27 13S 11E		9. API NUMBER: 4300730938 30940 10. FIELD AND POOL, OR WILDCAT: undesignated
		COUNTY: Carbon STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 3/1/2006	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input checked="" type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input type="checkbox"/> OTHER: _____
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Well completed and online. Date of first production 03/01/2006.

NAME (PLEASE PRINT) Heather Mitchell	TITLE Administrative Assistant
SIGNATURE 	DATE 3/24/2006

(This space for State use only)

MAR 28 2006

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

AMENDED REPORT ☒ FORM 8
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL ☐ GAS WELL ☒ DRY ☐ OTHER _____

b. TYPE OF WORK: NEW WELL ☒ HORIZ. LATS. ☐ DEEP-EN ☐ RE-ENTRY ☐ DIFF. RESVR. ☐ OTHER _____

2. NAME OF OPERATOR: WhitMar Exploration Company

3. ADDRESS OF OPERATOR: 555 17th Street, Ste. 880 CITY Denver STATE CO ZIP 80202 PHONE NUMBER: (303) 991-9400

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: 1438' FSL & 1412' FEL
AT TOP PRODUCING INTERVAL REPORTED BELOW: same
AT TOTAL DEPTH: same

5. LEASE DESIGNATION AND SERIAL NUMBER: FEE

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: n/a

7. UNIT or CA AGREEMENT NAME: n/a

8. WELL NAME and NUMBER: 27-4

9. API NUMBER: 40 4300730938

10. FIELD AND POOL, OR WILDCAT: undesignated

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 27 13 11E S

12. COUNTY: Carbon 13. STATE: UTAH

14. DATE SPUDDED: 6/6/2005 15. DATE T.D. REACHED: 7/8/2005 16. DATE COMPLETED: 12/19/2005 ABANDONED ☐ READY TO PRODUCE ☒

17. ELEVATIONS (DF, RKB, RT, GL): GL: 5981

18. TOTAL DEPTH: MD 3,311 TVD 3,311 19. PLUG BACK T.D.: MD TVD 20. IF MULTIPLE COMPLETIONS, HOW MANY? *

21. DEPTH BRIDGE MD PLUG SET: TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)
Dual Induction, Neutron Density and cement bond log

23. WAS WELL CORED? NO ☒ YES ☐ (Submit analysis)
WAS DST RUN? NO ☒ YES ☐ (Submit report)
DIRECTIONAL SURVEY? NO ☒ YES ☐ (Submit copy)

24. CASING AND LINER RECORD (Report all strings set in well)

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
12 1/4	8 5/8	24	0	367				140'	0
7 7/8	5/5	15.5	0	3,269					

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 7/8								

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
(A) Ferron					2,898 2,918	20	80	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(B) Ferron					2,884 2,888	4	16	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(C) Ferron					2,864 2,874	10	40	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(D) Ferron					2,992 2,995		40	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>

27. PERFORATION RECORD

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL

29. ENCLOSED ATTACHMENTS:

- ☒ ELECTRICAL/MECHANICAL LOGS ☐ GEOLOGIC REPORT ☐ DST REPORT ☐ DIRECTIONAL SURVEY
☐ SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION ☐ CORE ANALYSIS ☐ OTHER: _____

30. WELL STATUS:

Producing

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED: 3/1/2006	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL: 0	GAS – MCF: 0	WATER – BBL: 70	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS:

INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS:

INTERVAL C (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS:

INTERVAL D (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS:

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

Sold and used for fuel

33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
				Ferron	2,800

35. ADDITIONAL REMARKS (Include plugging procedure)

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) Heather Mitchell

TITLE Administrative Assistant

SIGNATURE

DATE

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation

- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

RECEIVED
APR 13 2006

DIV. OF OIL, GAS & MINING



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155



IN REPLY REFER TO
3105
UT-922

May 8, 2006

Whitmar Exploration Company
Attn: Jessica Lambuth
555 17th Street
Suite 880
Denver, Colorado 80202

Gentlemen:

Enclosed is one approved copy of Communitization Agreement No. UTU84386. This agreement communitizes all rights as to natural gas and associated liquid hydrocarbons producible from the Ferron Formation, covering the SE $\frac{1}{4}$ of Section 27, Township 13 South, Range 11 East, SLB&M, Carbon County, Utah. This agreement conforms with the spacing set forth in Order No. 241-6 which was issued by the State of Utah, Board of Oil, Gas and Mining on September 22, 2004.

This agreement is effective as of June 1, 2005. The communitized area covers 160.00 acres and includes portions of Federal oil and gas lease UTU80556.

Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.

Minerals Management Service Form MMS-4054, "Oil & Gas Operations Report", must be submitted for this agreement beginning with the month in which drilling operations commence for Well No. 27-4, NWSE, Section 27, Township 13 South, Range 11 East, SLB&M, Carbon County, Utah, API # 43-007-30940, on a fee lease. Form MMS-4054 is to be mailed to the Minerals Management Service, Minerals Revenue Management Reporting Services, P. O. Box 17110, Denver, Colorado 80217-0110.

Please furnish all interested principals with necessary evidence of this approval.

Sincerely,

Douglas F. Cook
Chief, Branch of Fluid Minerals

CONFIDENTIAL

K

MAY 08 2006

DIV. OF OIL, GAS & GEOTHERMAL

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU 80556
2. NAME OF OPERATOR: WhitMar Exploration Company		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: 555 17th Street, Suite 880 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: UTU84386
PHONE NUMBER: (303) 991-9400		8. WELL NAME and NUMBER: 27-4
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1438' FSL, 1412' FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 27 13S 11E		9. API NUMBER: 430073093840
COUNTY: Carbon		10. FIELD AND POOL, OR WILDCAT: Wildcat
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

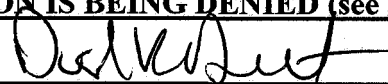
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Classify as Wildcat</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

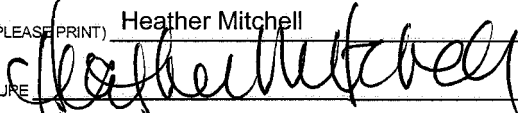
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Please find the attached information to re-classify the 27-4 as a wildcat well

THIS REQUEST FOR WILDCAT WELL DESIGNATION IS BEING DENIED (see attached Statement of Basis).

CC: STATE TAX COMMISSION (Emailed)


November 19, 2007
Utah Division of Oil, Gas and Mining

NAME (PLEASE PRINT) Heather Mitchell	TITLE Operations Coordinator
SIGNATURE 	DATE 10/1/2007

(This space for State use only)

COPY SENT TO OPERATOR
Date: 11-20-07
Initials: DM

(See Instructions on Reverse Side)

RECEIVED

OCT 02 2007

DIV. OF OIL, GAS & MINING

1.2.2

In December 2005 and January 2006, WhitMar was targeting the Ferron Coal section of the Ferron Sandstone Formation in all nine of its wells in sections 22, 26, 27, and 34 of 13S-11E.

At the time of completion in December 2005 and January 2006, there were no known producing wells within 1 mile of any of WhitMar's wells.

Two wells within 1 mile of the designated area were being drilled in this same timeframe late November 2005), in section 28-13S-11E:

API # 4300730974

API # 4300730973

Both of these wells were in the process of being drilled in late November 2005, and all of this information was confidential.

1.2.3

There were no known producing wells within one mile of WhitMar's nine wildcats at the time of completion.

1.2.4

No specific structure was targeted in the nine WhitMar wildcats.

As depicted in the attached plats, the 27-4 was completed in December 2005, as part of a 9-well batch completion program, whose 8 other completions followed directly and without interruption in January 2006. As outlined in the pre-drill operations prognosis, information from the 27-4 would not (and did not) dictate the completion decisions of the 8 other wells.

1.2.5

BHP=1287 psi

In essence, the nine wells were drilled and completed in rapid succession, with no producing wells within 1 mile, and without sufficient time to determine if any of the 9 wells were productive.

With this evidence, we are seeking wildcat classification for the 9 wells in question.

Completion Date

13	2005/12/14 1974/01/27 20 2004/12/14 21 22 23 24	13S 11E	22-4 2006/01/28 26-2 2006/01/28 2006/01/25 26-3 2006/01/29 26
	2004/12/14 2005/11/23 29 2005/11/30 2005/12/18 2005/11/21 2005/11/22 28 1975/01/25 27-3 2006/01/27 27 34-2 2006/01/29 2006/01/27 34 SWD-1 2006/01/21 35		
10	2003/11/30 2003/12/05 32 2003/12/05 2004/05/27 2007/05/25 2007/06/01 33 2007/06/07 2007/08/15 2007/08/16 2007/08/10 3		35
0/32 2/03	2004/06/15 2003/12/08 5 2004/06/22 2007/06/19 2007/06/16 2007/06/10 4		2 1

DIVISION OF OIL, GAS AND MINING

Wildcat Well Determination

STATEMENT OF BASIS

Applicant: WhitMar Exploration Company

Location: NWSE Sec. 27 T13S, R11E, Carbon County, Utah

WELL NAME: 27-4 **API #:** 43-007-30938

FINDINGS

1. This well was completed on December 19, 2005 in the Ferron formation. Pipe was set at Total Depth on July 8, 2005.
2. The Coal Creek 1 well, located within 1 mile of the subject well was drilled and tested in 1975 as having gas shows in the Ferron formation.
3. This well was < 1 mile from known production in the Ferron Formation at the time of the completion and the start of commercial production. Two of these wells, the N Bench Fed 34-28 well and the N Bench Fed 23-28 were put on production on November 22, 2005 and November 21, 2005 respectively. Although all information on these wells may not have been readily available at the time of completion of the subject well, there was information available and these wells were not classified as confidential.
4. This well is approximately 2 miles from the N Bench St 32-32 well that has been producing commercial quantities of gas from the Ferron formation since December of 2003.
5. This well is within Cause No. 241-6 that was approved by the Board of Oil, Gas and Mining on September 22, 2004 at the request of WhitMar Exploration. The Order defines Sections 22 and 27 as a common source of supply and an extension of previous Orders of the Board in the Ferron formation in the East Helper area. Cause No. 241-6 directly offsets Cause No. 241-5 which was an extension of Cause No. 241-4 and Cause No. 241-1. The Board orders in these Cause Nos. defined the Ferron formation as a pool.
6. Evidence presented in Cause No. 241-6 showed the continuity of the Ferron Formation through the subject well. Also, several wells drilled several miles to the east and prior to the drilling of the subject well further support and show the continuity of Ferron Formation through the area.
7. 10 wells were drilled by WhitMar in the immediate area prior to putting any one into production. 3 of these wells had already been drilled prior to this well being drilled.
8. The Wildcat Tax Credit application was received almost 2 years after completion of the subject well (see submittal requirements in R649-3-35-1).

CONCLUSIONS

Based on the findings above the Division has determined the 27-4 well was drilled into a known producing area for the Ferron Formation. All wells in this area were drilled within a spaced drilling unit or just outside a spaced drilling unit. WhitMars' own testimony in Cause No. 241-6 was that the Ferron formation was known to contain hydrocarbons in paying quantities in this area, insofar as much as the Board agreed and set up drilling and spacing units according to that evidence. No

information was provided in the testimony or in the application that supported the subject well being drilled in a separate pool. The drilling of 10 wells (9 eventual producers and 1 disposal well) prior to putting any wells online also helps support the fact that this was a known area for production in the Ferron formation. Because of the different nature of Coal Bed Methane (CBM) production, you do need to remove the hydrostatic from the coals in order to produce the gas. A pattern of several wells does help de-water the coals and allow for quicker recovery of the gas and would be expected in a known CBM area.


The application was also received after the Well Completion Report was submitted and after production had commenced in the area. Future requests for wildcat well determination should be submitted in accordance with R649-3-35-1.

Therefore, the Division finds that this well does not qualify for the severance tax exemption under Section 59-5-102(2)(d) for wildcat wells. This determination was made in accordance with Oil and Gas General Conservation Rule R649-3-35. If the operator disagrees with this determination, the decision may be appealed to the Board of Oil Gas and Mining.

Reviewer(s): Dustin K. Doucet 

Date: 11/19/2007

THIS REQUEST FOR WILDCAT WELL DESIGNATION IS BEING DENIED.


Utah Division of Oil, Gas and Mining

November 19, 2007

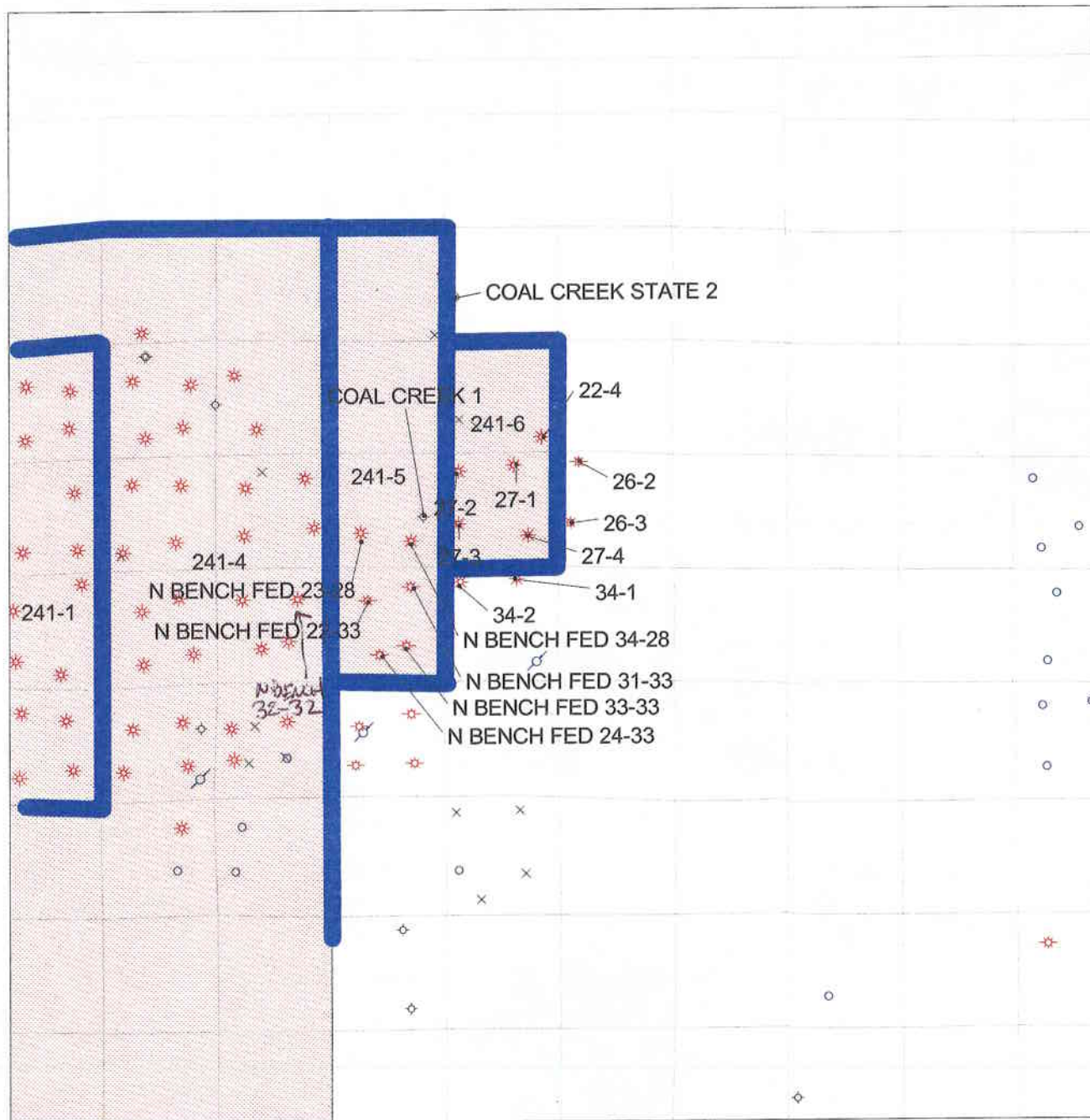
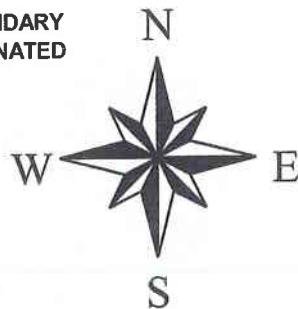
- Sections.shp
- Wells.shp
- GAS INJECTION
 - GAS STORAGE
 - LOCATION ABANDONED
 - NEW LOCATION
 - PLUGGED & ABANDONED
 - PRODUCING GAS
 - PRODUCING OIL
 - SHUT-IN GAS
 - SHUT-IN OIL
 - TEMP. ABANDONED
 - TEST WELL
 - WATER INJECTION
 - WATER SUPPLY
 - WATER DISPOSAL
 - DRILLING
 - RETURNED GAS
 - RETURNED OIL
 - GAS INJECTION SI
 - WATER DISP. SUSP.
 - WATER INJ. SUSP.

160.shp

- ACTIVE
- VACATED

Units.shp

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED



WhitmarCBMWildcat AOR

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET (for state use only)

ROUTING
CDW

X - Change of Operator (Well Sold)

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

1/1/2012

FROM: (Old Operator): N2585- Whitmar Exploration Company 555 17th Street Suite 880 Denver, CO 80202 Phone: 1 (TO: (New Operator): N3695- Emery Resources Holdings, LLC 8350 E Raintree Dr Suite 12 Scottsdale, AZ 85260 Phone: 1 (480) 528-6836
---	---

CA No.			Unit:		N/A		
WELL NAME	SEC TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
See Attached List							

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 4/16/2012
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 4/16/2012
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 11/9/2012
- a. Is the new operator registered in the State of Utah: _____ Business Number: 6724027-0160
- 5a. (R649-9-2) Waste Management Plan has been received on: Yes
- 5b. Inspections of LA PA state/fee well sites complete on: N/A
- 5c. Reports current for Production/Disposition & Sundries on: 11/9/2012
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM Not et BIA N/A
- Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: N/A
- Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: N/A
- Underground Injection Control ("UIC")** Division has approved UIC Form 5 Transfer of Authority to **Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: 4/27/2012

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 11/13/2012
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 11/13/2012
- Bond information entered in RBDMS on: 11/13/2012
- Fee/State wells attached to bond in RBDMS on: 11/13/2012
- Injection Projects to new operator in RBDMS on: N/A
- Receipt of Acceptance of Drilling Procedures for APD/New on: N/A

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: UTB002885
- Indian well(s) covered by Bond Number: N/A
- 3a. (R649-3-1) The **NEW** operator of any state/fee well(s) listed covered by Bond Number 29209491
29209509
- 3b. The **FORMER** operator has requested a release of liability from their bond on: N/A

LEASE INTEREST OWNER NOTIFICATION:

- (R649-2-10) The **NEW** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: #####

COMMENTS:

Whitmar Exploration Company (N2585) to
Emery Resources Holdings, LLC (N3695)
Effective 1/1/2012

Well Name	Sec	Twp	Rng	API Number	Entity	Lease	Type	Status	Conf
SWD #1	34	130S	110E	4300730979	14920	Federal	WD	A	
10-3	10	140S	110E	4300730952	14744	Federal	GW	OPS	C
34-1	34	130S	110E	4300730884	14968	Federal	GW	P	
27-2	27	130S	110E	4300730939	14746	Fee	GW	P	
27-4	27	130S	110E	4300730940	14757	Fee	GW	P	
26-3	26	130S	110E	4300730957	15014	Federal	GW	P	
27-3	27	130S	110E	4300730958	14745	Federal	GW	P	
34-2	34	130S	110E	4300730960	15038	Federal	GW	P	
22-4	22	130S	110E	4300730956	14983	Federal	GW	S	
26-2	26	130S	110E	4300730963	15003	Federal	GW	S	

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL ☐ GAS WELL ☒ OTHER _____

2. NAME OF OPERATOR:

Emery Resource Holdings LLC

N 3695

3. ADDRESS OF OPERATOR:

8350 E Raintree Dr. Suite 12 CITY Scottsdale

STATE AZ

ZIP 85260

PHONE NUMBER:

(480) 528-6836

4. LOCATION OF WELL

FOOTAGES AT SURFACE:

COUNTY: Carbon

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input checked="" type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input type="checkbox"/> OTHER: _____
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

See attached list

BLM Bond # UTB 002885

Fee Bond # 0029209491 + 029209509

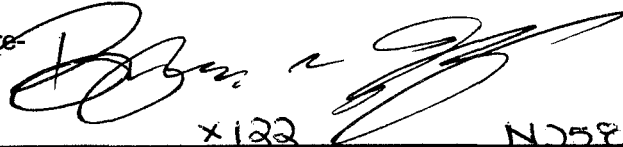
Effective date 1-1-2012

WHITMAR EXPLORATION COMPANY SOLD ALL OF ITS
UTAH WELLS/ASSETS TO EMERY RESOURCES

Whitmar Exploration Co.

name- BENJAMIN M. ZAPP

signature-



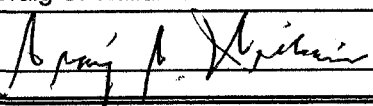
03/30/12

NAME (PLEASE PRINT) Craig C. Williams

TITLE

President

SIGNATURE



DATE

1-12-12

(This space for State use only)

APPROVED

NOV 13 2012

DIV. OIL GAS & MINING

BY: Rachel Medina

(5/2000)

(See Instructions on Reverse Side)

RECEIVED

APR 16 2012

DIV. OF OIL, GAS & MINING

Well Name	API #		Section	Township	Range	Lease	
Well in operation							
SWD #1	43-007-30979	SESE	34	13S	11E	FEE w/ Fed Minerals	
34-1	43-007-30884	NWNE	34 13S	11E	FEE		
27-2	43-007-30939	NWNW	27 13S	11E	FEE		
27-4	43-007-30940	NWSE	27 13S	11E	FEE		
22-4	43-007-30956	SESE	22 13S	11E	Federal		
26-3	43-007-30957	NWSW	26 13S	11E	Federal		
27-3	43-007-30958	NWSW	27 13S	11E	Federal		
34-2	43-007-30960	NWNW	34 13S	11E	Federal		
26-2	43-007-30963	NWNW	26 13S	11E	Federal		
Well APD							
34-4	43-007-31335	NWSE	34 13S	11E	FEE w/ Fed Minerals		APD
34-3	43-007-31344	SWSW	34 13S	11E	Federal		APD
Well to be plugged							
10--3	43-007-30952	NWSW	10 14S	11E	Federal		

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: fee
2. NAME OF OPERATOR: Emery Resource holding		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: na
3. ADDRESS OF OPERATOR: 8350 Raintree Dr #125 CITY: Scottsdale STATE: AZ ZIP: 85280		7. UNIT or CA AGREEMENT NAME: na
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1438' FSL, 1412' FEL, 27, T13s, NW/SE sec 27, T13s, R11e, S1b&m		8. WELL NAME AND NUMBER: ERH 27-4
5. PHONE NUMBER: (480) 528-6836		9. API NUMBER: 4300730940
6. QTR/CTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		10. FIELD AND POOL, OR WILDCAT: undesignated
COUNTY: carbon		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>7-1-13</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input checked="" type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: well workover
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Pull pump, scan tubing coming out of hole & replace if needed. Clean out well if needed and repair any unforeseen damage.

Run in hole with string of 680 tubing and reconfigure downhole BHA. Put well back on production.

COPY SENT TO OPERATOR

Date: 7-3-2013

Initials: KS

NAME (PLEASE PRINT)

Bo Stinson

TITLE

Field Manager / Consultant

SIGNATURE

DATE

6-27-13

(This space for State use only)

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS AND MINING
DATE: 6/27/2013
BY: [Signature]
(See Instructions on Reverse Side)

(5/2000)

RECEIVED

JUN 27 2013

DIV. OF OIL, GAS & MINING



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

January 28, 2016

CERTIFIED MAIL NO. 7014 2870 0001 4232 4849

Mr. Craig Williams
Emery Resource Holdings LLC
10109 E. Windrose Dr.
Scottsdale, AZ 85260

43 007 30940
27-4
27 135 11E

Subject: Extended Shut-in and Temporary Abandoned Well Requirements for Fee or State Leases

Dear Mr. Williams:

As of January 2016, Emery Resource Holdings LLC has two (2) Fee Lease Wells (see attachment A) that are currently in non-compliance with the requirements for extended shut-in or temporarily abandoned (SI/TA) status.

Wells SI/TA beyond twelve (12) consecutive months requires filing a Sundry Notice (R649-3-36-1). Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (649-3-36-1.3.3). For extended SI/TA consideration the operator shall provide the Utah Division of Oil, Gas & Mining with the following:

1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).

Please note that the Divisions preferred method for showing well integrity is by MIT.



Page 2
Emery Resource Holdings LLC
January 28, 2016

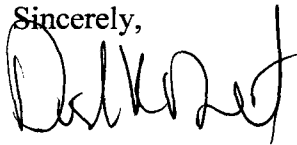
Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

All Submittals should be sent via ePermit

If the required information is not received within 30 days of the date of this notice, further actions may be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet
Petroleum Engineer

DKD/DD/js

cc: Compliance File
Well File

N:\O&G Reviewed Docs\ChronFile\PetroleumEngineer\SITA

ATTACHMENT A

	Well Name	API	LEASE	Years Inactive
1	27-2	43-007-30939	FEE	1 year 10 months
2	27-4	43-007-30940	FEE	1 year 10 months

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

RECEIVED

MAR 03 2016

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	5. LEASE DESIGNATION AND SERIAL NUMBER:
2. NAME OF OPERATOR: Emery Resource Holdings N 3695	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 10129 East of Winnemucca Dr. South Lake AZ	7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 85260	8. WELL NAME and NUMBER: 27-4
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: 27 13S 11E	9. API NUMBER: 43-017-30940
	10. FIELD AND POOL, OR WILDCAT:
	COUNTY:
	STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input checked="" type="checkbox"/> TEMPORARILY ABANDON extension
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 2-22-16	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Tubing Pressure 300
Casing Pressure 300
Braden Head Pressure 0
Fluid Level 2470.5

Casing integrity is demonstrated by the differential between casing and Braden Head Pressures.

We are working to complete financing and plan to resume field operation This coming summer.

NAME (PLEASE PRINT) Craig Williams TITLE President
SIGNATURE [Signature] DATE 2-22-16

(This space for State use only)

REQUEST DENIED
Utah Division of
Oil, Gas and Mining

Date: 5/25/2016

By: [Signature] (See Instructions on Reverse Side)

* See Attached

Emery Resource Holdings, LLC
10109 East Windrose Dr.
Scottsdale, Arizona 85260
February 27, 2016

RECEIVED

MAR 03 2016

DIV. OF OIL, GAS & MINING

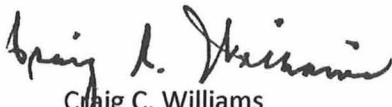
Dustin K. Doucet Fax 801-359-3940
Petroleum Engineer
State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

Re: Extended Shut-in and Temporary Abandoned Well Requirement for Fee or State Leases

Dear Dustin:

Enclosed please find our Sundry Notices and Reports on Wells showing our well test and integrity reports.

Sincerely,


Craig C. Williams
President

REASONS FOR DENIAL OF REQUEST TO EXTEND SI/TA OF WELL

Well Name and Number: 27-4
API Number: 43-007-30940
Operator: Emery Resource Holdings
Reference Document: Original Sundry dated February 27, 2016, received
by DOGM on March 3, 2016

The well has been Shut-in/Temporarily Abandoned for 2 years 2 months. Insufficient information was submitted to the Division to approve the referenced well for continued Shut-in or Temporary Abandonment (SI/TA). The following requirements of R649-3-36 have not been met with this request for SI/TA approval.

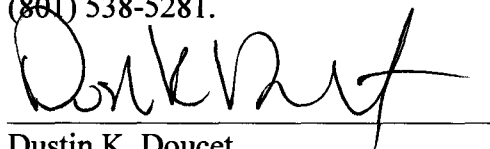
1. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment. (R649-3-36-1.3)

The following concerns were noted with the data supplied.

1. Supporting documentation for the presented data was not provided.
2. The data did not correspond to observations made at recent field inspection. Namely, the pressure was not 300 psi on tubing and casing and there was no gauge and did not appear that there had been a gauge on the bradenhead in quite some time.

Please provide a plan for each of the wells. Submit these online via sundry notice on our epermit system. If the well is not to be put immediately back on production, provide the required information of R649-3-36. This includes a showing of integrity, a reason and length of time the well is to be shut in (plan for well). The Division should be notified to witness gathering of data.

If the required information is not received within 30 days of the date of this notice, further actions may be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.



Dustin K. Doucet
Petroleum Engineer

May 25, 2016

Date